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Discussion on Integration of Planned Economy and Regulation by Market Mechanisms

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[Article by Liu Suinian (2692 7151 1628), Liu Guoguang (0491 0948 0342), Wei Xinghua (5898 5281 5478), Wei Jie (7614 2638), Zheng Jiaxiang (6774 1367 0078), Zhang Shuping (7128 2885 1627), and Yun Shiping (7189 2535 1627)]

[Text] Editor's note:

A socialist economy is a planned commodity economy based on a public ownership system. The main objective of the reform of our country's economic structure is to suit the development of a planned commodity economy and strive to create a management system and economic operational mechanism that is suited to China's conditions and that brings about the integration of planned economy and regulation by the market mechanism. What the theoretical basis is for such a system, what experiences and lessons we have gained in this connection through these years, and how to set up and develop such a system in actual practice are theoretical and practical problems that currently need to be studied. Accordingly, on 16 May we called a meeting and invited economic theoretical circles in Beijing and responsible comrades of certain economic departments to take part in the discussions on these problems. Our chief editor, Comrade You Lin took charge of the meeting. Those attending included Comrades Liu Suinian, Liu Guoguang, He Guanghui, Liu Minxue, Zheng Jiaxiang, Wei Xinghua, Wei Jie, Zhan Renwai, He Jianzhang, Lin Zhaomu, Huang Zhenqi, Yun Zhiping, Zhang Shuping, and Ren Jungen. Written opinions were sent in by Comrades Zhan Wu, Song Dingming, Zhang Zhongji, Lu Baipu, and others. Excerpts of the discussions will be published in this article, and in another article in the next issue. [end editor's note]

Several Views on Integration of the Planned Economy and Regulation by the Market Mechanism

By Liu Suinian [2692 7151 1628], Minister of Resources

How To Correctly Understand the Planned Economy

A planned economy is born under the conditions of socialized large-scale production and on the basis of the socialist public ownership system of the means of production. It demands that countries enforcing the socialist system—according to the objective demands of socialist basic economic law, the laws of planned and proportionate development, and the law of value—formulate a unified state plan to govern the national economy. Marx pointed out, "If one wishes to obtain a quantity of products that is suited to the amount of various and different kinds of demand, one will have to pay out in different kinds, and a fixed amount, of social gross labor. This necessary nature of the distribution of social labor at a fixed proportion cannot be eliminated by a fixed

form of social production.¹ Under the capitalist system, proportionate distribution of the volume of social labor is extremely difficult and is frequently realized through an economic crisis. Under the socialist system, there is the possibility of the proportionate distribution of social labor and this is implementation of the planned economy. According to Lenin, the intention of a planned economy is to "constantly and consciously maintain a balance and this in reality is of a planned nature."²

In actual practice, an important and special feature of the socialist economy is that economic development begins with the productive forces being extremely backward. At the same time, demands from various sides of society are extremely brisk and governments at various levels and the leadership of various departments all wish to do a little bit more for the people, to set a record, and to make an achievement, and so the things to be done frequently surpass the possibilities of production. In actual economic life, between the departments and between the various stages of reproduction, imbalanced conditions have appeared frequently. How may these contradictions be solved? Comrade Mao Zedong pointed out, "The contradictions which will objectively exist for a long time between social production and social demand will require people to frequently employ the state plan for regulation. Each year our country formulates an economic plan that arranges a suitable proportion between accumulation and consumption, and achieves a balance between production and demand."³ "This is the superior character of our planned economy."⁴ This passage clearly states the necessary and important nature of a socialist country implementing a planned economy.

Implementing a planned economy is our natural selection. In the 40 years since the establishment of the PRC, we have depended on the planned economy to obtain successes acknowledged by the whole world. But because of lack of experience, both in understanding and method, many errors have been committed, of which there have been three principal ones: 1) The interpretation that in a planned economy all the activities of the national economy, including production, circulation, and distribution, must be incorporated onto the track of mandatory planning; nonrespect of the enterprises' autonomous rights in operation and their self-interests; nonrespect of the law of value; strangling the enterprises to the point of death and causing the economy to lose its vitality. 2) Regarding certain important economic strategies, a lack of scientific and democratic decisionmaking procedures; a relatively large number of errors made in decisionmaking, thereby causing losses amounting to millions or billions of yuan, and at the same time a loss of confidence by many people in the superiority of planned economy. 3) Refutation by a certain portion of comrades of the necessary nature of an economic balance. This refutation may be said to have negated the basic demand of the planned economy. From the latter part of the 1950's to the 1960's, a prevalent saying was to the effect that "a gap in the plan is the motive force for

economic development," and "overall balance is not the basic method of planning work." The sayings in more recent years were "budget deficits are not so terrible" and "currency inflation has its influential effects on economic development." On the basis of such understanding, the plan formulated cannot correctly guide economic development, and, naturally, cannot manifest the superiority of a planned economy.

Summing up the experiences in socialist economic construction over the past 40 years, we must resolutely support the planned economy and give full play to its superior nature. It is necessary: First, to make it clear that the formulation of the plan is principally to solve the problem of balancing the gross volumes of the national economy and to attain a structural equilibrium, that is, maintaining a relative balance between finance, credits and loans, material resources, and foreign exchange within a stated period of time, and refraining from maintaining a large amount of financial deficits for a protracted period of time. At the same time, it is necessary to make industry, agriculture and its internal parts, the economy, culture, education, and national defense maintain a proportionate status which is generally coordinated and mutually promoting. For certain periods of time, the weak links will become prominent; this is necessary in accordance with proportionate development, but it cannot be allowed to last for a prolonged period or to an excessive degree. Second, it is necessary to ensure the correct nature of major economic decisions, including that there are no major errors in decisions on the direction of development and in development policies and major projects. This will require the formation of a set of scientific and democratic decision-making procedures to prevent the administrative officials from making casual or subjective decisions on problems. Third, planning must be built on the basis of fully arousing the activism and enthusiasm of the enterprise and its staff members and workers, and on the basis of the law of value. It must handle well the relations between the three elements of state, enterprise, and staff members and workers. In carrying out the plans, good methods and measures must be selected, and concurrently with maintaining the necessary mandatory planning, we should strengthen the employment of economic policies and economic levers.

How To Regard Regulation by Market Mechanisms

Given that socialist productive forces are undeveloped, and people's labor is principally a means to earn a living, in order to arouse the enthusiasm of various sectors and to vigorously develop productive forces, it is necessary, on the basis of the public ownership system, to develop many kinds of economic constituents and to enforce the principle of distribution according to work. The production activities that thus exist can only be a sort of commodity production, and purchasing and marketing activities between enterprises naturally consist of a kind of commodity exchange; they must necessarily pass through the market.

The development of the market itself has its objective innate demands, and perfecting the market mechanism necessitates a process. In the development of planned commodity economy in our country, the role of the market should not and cannot be placed above the plan. Under socialist conditions, the functions of regulation by market mechanisms are principally to effect a better connection between production and demand, regulate supply and demand to a definite extent, and stimulate or attract production and consumption. Next, they are to make use of the law of value, push the progress of science and technology, lower consumption of materials, and generally improve the quality of products. Furthermore, they should play a part in readjusting the production structure, although, in regard to the readjustment of large industrial structures, planning must be principally depended upon to effect direct regulation. Actual practice has shown that depending simply on regulation by market mechanisms not only takes a long time, but also requires paying a large price. When we give full play to the functions of regulation by market mechanisms, we should clearly understand the limits of its role.

In the past, we did not have an adequate understanding of the necessary and important nature of utilizing regulation by market mechanisms in economic development. We were generally under the impression that by undertaking regulation by market mechanisms we might risk the generation of capitalism and that the decontrol of prices might bring about a rise in commodity prices, thus affecting the stability of the economy. Since the reform, the prices of some products have been decontrolled, the market for the means of production has greatly developed, the variety of products has greatly increased, quality of products has improved, and the enthusiasm and activism for production in various kinds of enterprises, particularly the medium-sized and small enterprises, town and township enterprises, and private and individual households have risen unprecedentedly, thereby facilitating the development of the economy. At the same time, certain drawbacks have appeared. First, a new sort of blind development has been found in production and construction, redundant low-level production and construction has increased, and, in general, social wealth has been wasted. Second, import and export trade has not been arranged in a unified manner nor according to domestic supply and demand. There have been exports which should not have been exported and imports which should not have been imported—the same kinds of products have been exported by one province and imported by another. Internally, mutual competition has become rampant and this has caused many losses. Third, utter confusion reigned in the market. Party members, government officials, the military, and the masses all joined in the "whole people's" business operations. They drove up prices, engaged recklessly in speculation, gave and received bribes, and large amounts of transactions were done in cash. This not only corrupted some cadres, the party, and the social atmosphere, but also rendered production enterprises unable to organize production normally. As for the

causes generating these problems, aside from the fact that regulation by market mechanisms itself had a definite degree of blindness in action, I believe that the chief one was the serious imbalance in the macroeconomy; also, in management, government was not separated from enterprise functions, the departments established their own spheres of influence, each and every one minded its own private interests but "lorded" over the economy, and this thus seriously affected the formation of a socialist unified market. Fourth, the coexistence of two kinds of resources and two kinds of prices, plus distortions in price and many products being divorced from their true value, have frequently led economic operations in wrong directions. Fifth, neither an integrated nor perfect system has been formed in market management and market adjustment and control, resulting in many people taking unfair advantage.

Following over a year's improvement and rectification, big changes have been made in the situation: The imbalanced state in the gross volumes of the macroeconomy has been somewhat improved, certain market rules and regulations have been formulated, certain operational units have been liquidated or put onto the right track. While market order has greatly changed for the better, certain phenomena not beneficial to market development have appeared. For example, according to the regulations of certain localities, under no conditions will enterprises dealing in materials be allowed to buy and sell between them in their business operations, separation of flow of commerce and of materials will not be permitted, nor will transregional operations be permitted. In operational activities, compensating losses with profits will not be permitted, and material resources outside the plan are not allowed to abide by the trade and follow the market. These and other factors result in the active role of regulation by market mechanism being restricted and normal circulation being affected.

Regulation by market mechanism has a dual character. How to correctly allow it to play an active role and curb its passive role is a fairly complicated and difficult problem. Because of the complex nature of economic activities and lack of experience, it is definite that a certain price must be paid in actual practice. However, we should not look just at the passive side, nor should we be frightened by the appearance of certain problems and cast doubt on the objective character of the existence of regulation by market mechanisms. In my opinion, to solve this problem the key lies in that there must be a better environment to create certain necessary conditions to correctly give play to regulation by market mechanisms. Aside from a necessary general equilibrium in social gross supply and gross demand, speaking from the circulation of the means of production: First, the prices should, gradually and with good timing, be converted from the double track to the single track; friction between the two kinds of material resources and two kinds of prices must be reduced to the utmost; and the transparent and effective character of regulation by market mechanisms must be enhanced. Second, management of materials under mandatory planning should be

improved, the central point being to act in accordance with the law of value. As for the important materials outside the mandatory plan, marketing under the guidance of the state on the portion for self-sales by the enterprises should be gradually expanded so as to have an orderly exchange of commodities through stabilizing the liaison between production and demand. Third, we should adopt a multichannel form of circulation with state-run circulation enterprises playing the principal role, firmly persist in reformist thinking regarding the development of a planned commodity economy, gradually cut down the power and authority of administrative departments directly managing material resources, and realize the socialization and modernization of circulation. Fourth, formulation of regulations governing market management and control should be speeded up, the practice of localities setting up their spheres of influence and departmental monopoly should be broken up, and, on the basis of protecting legitimate exchange and fair competition, we should gradually establish a socialist unified market.

How To Effect the Integration of Planned Economy and Regulation by Market Mechanisms

My views are: In socioeconomic development, since planned economy is principally to solve the problems of balancing and the directing the development of the gross volumes and structures of the macroeconomy, regulation by market mechanism should principally solve the problems of liaison between production, supply, and demand among the various enterprises in the course of microeconomic activities, and, by means of the market regulating supply and demand, regulate the interest relationships between the various sectors. This is to say: Both planned economy and regulation by market mechanisms wholly encompass the economy and society. Dividing up economic operations into giving planning a piece and market another piece, and on this basis talking about "integration" is definitely not scientific. Hence, my view is that the real essence of the integration of a planned economy and regulation by market mechanism is the integration of macroeconomy and microeconomy so that the two, concurrently with operating separately with their own requirements, may look after each other, be closely coordinated, and push the development of the economy. The mission of macroeconomic operations is to serve microeconomic activities, guide microeconomic activities to avoid blindness, and cut down to the minimum the side effects of regulation by market mechanisms. The task of microeconomic operations is to make use of the law of value and economic levers to arouse the enthusiasm of the staff and workers, enliven the enterprises, develop the productive forces and in the course of development, endeavor to make the positivism of the microeconomy correspond with the demands of the macroeconomy. Starting from this, my view is that to accomplish the integration of planned economy and regulation by market mechanism well the following several points are important:

1. When formulating the plan, it is necessary, on the basis of giving full consideration to the enterprises' enthusiasm, on the one hand to strive hard to make the arrangements of the plan maintain the relative balance of gross supply and gross demand, and maintain overall rationality in the proportionate relations of the economic structure and geographic distribution; and, on the other hand, formulate at the same time the coordinating policies and measures in the realization of the macroeconomic plan. Balancing of gross volumes, the rationality of the structure, and the basic stability of commodity prices are the preconditions for maintaining stable and coordinated development in the economy and for enabling the enterprises to proceed with their normal economic activities. When gross supply greatly exceeds gross demand and there is full-scale stagnation in the sale of products or when gross demand greatly surpasses gross supply and there is instability in commodity prices as well as serious inflation, production in the enterprises cannot proceed normally and regulation by market mechanism cannot perform normally. Hence, it is necessary to work strenuously to strengthen and accomplish the planning work well, particularly with reference to medium-term and long-term planning. This is because balance in the gross volumes cannot be separated from structural equilibrium, and structural equilibrium cannot be solved in the current year.

2. The production, supply, and marketing activities of enterprises are conducted principally through the medium of the market. Hence, it is necessary to cultivate a market under the guidance of a sound plan. So far as the circulation of the means of production is concerned, to develop a means of production market under the guidance of the plan, we may use the following initial framework:

First, organize multichannel circulation with state-run materials enterprises as the principal body. Seen from the actual conditions of the moment: a) Purchasing and sales by large enterprises and enterprise groups may principally be the responsibilities of their own supply and sales organs. These enterprises generally need raw materials in large quantities and of a specialized nature. Some of the products needed are the intermediate ones for the group's end products. For them to principally take charge of buying and selling is economical. b) Circulation of materials for general use and supply of large amounts of materials for use by medium-sized and small enterprises may be responsibly organized by state-run materials enterprises; this is also economical. c) Under the current conditions of insufficient coverage extended by state-run materials enterprises, production of minor commodities and sundry materials needed by town and township collective enterprises and individuals may be engaged in and handled by collectives and certain individual units, and the latter may also be entrusted to act as sales agents for state-run enterprises. d) Under the current conditions of insufficient strength in the state-run materials enterprises, the purchasing and sales organs of departments in charge of production

should still carry out their role for a time, but this will be limited to certain materials for specialized uses and principally as a supplement to meet the demands of the enterprises of their own respective systems. Of these four channels, the first channel can develop following an increase in the number of enterprise groups; the second channel will depend on its own supremacy and the policy of the state to develop greatly, gradually replacing the third and fourth channels. This is possibly the general trend of development.

Second, we must endeavor to have the production and demand relations stabilized from both the production and the sales sides. Speaking from the production side, division of work and cooperation in social production must be relatively stabilized, and we must set up industrial and product structures that are suited to production and to the changes in livelihood needs. This is the foundation for relative stability in production and demand relations in the course of circulation. Speaking from the side of sales, materials enterprises should find a means to stabilize supply well and to establish stable bases for material resources and bases for sales, thus helping production enterprises stabilize the sale of their products and at the same time ensure stable supplies to the user-households. On this basis, we can consider developing placement of orders by mail, communications, and dealing in futures. The various large and small order-placing societies and cooperative societies currently existing are not good and need to be gradually converted.

Third, the price problem must be solved. Whether we go for planning or make use of regulation by market mechanisms, it is definitely unworkable not to solve the problem of double-track prices and the accompanying drawbacks. We must gradually enforce a single-track system of prices for the means of production. Prices of major products such as coal, electric power, railway transport, and so forth should be fixed by the state. But the price fixed must be readjusted promptly based on the demands of the law of value. We may loosen the hold on the prices of general commodities and let them be regulated by market supply and demand. The price system must be rational; differential prices must exist with due regard to locality, season of the year, product quality, and so forth, but they should be subject to leveling and control on the basis of regulation by the market mechanism. Subsidies should be reduced to the minimum. Seen from a longer perspective, the problem of price subsidies and pricing at a loss must in due course be converted into profitmaking with rational costs for production, otherwise the burden on the state will be increasingly heavy and there will be no way for the normal cycling of the economy.

Fourth, we should in due time formulate a series of management rules and regulations, protect legitimate operations, protect normal competition, oppose monopoly, ban illegal and irregular practices in operation, and maintain regular order in the markets. Formulation of the rules and regulations must be followed up

by solving the problem of their effective enforcement and thus definitely put the economy onto a legal track.

Fifth, it is necessary to strengthen the feedback work of market news and information. By means of timely feedback, the plan should be constantly revised and readjusted promptly so as to guide microeconomic activities.

3. Gradually set up a macroeconomic adjustment and control system suited to the integration of planned economy and regulation by market mechanisms.

As mentioned above, in socialist economic operations, the planned economy principally guides, adjusts, and controls macroeconomic economic operations, whereas regulation by market mechanism mainly has its role on the microeconomic side; both serve the development of social productive forces. Seen from actual practice, the planned economy principally manifests the state's all-round and long-term interests. It must reflect the law of value on the one hand, and must all the more reflect, on the other hand, the law covering planned and proportionate development. Although in many instances the direction of the functions of regulation by market mechanism is coherent with macroeconomic demands, it more greatly reflects the demands of the law of value, reflects the microeconomy, and reflects the enterprises' interests and current interests. Hence, contradictions perforce exist between planned economy and regulation by market mechanism. We have frequently discovered that certain market-regulated microeconomic activities did not fall in line with the macroeconomic demands and deviated from the targets of the planned economy. This thus requires the setting up of a macroeconomic adjustment and control systems for mutual coordination.

Seen from historical experience and reality, so far as the adjustment and control of the means of production market are concerned, in order to set up a macroeconomic adjustment and control system suited to the integration of planned economy and market regulation, there must principally be a solution of the following two problems: a) Adoption of certain appropriate policies to increase the strength of the state-run materials enterprises serving as the "main channels," and expansion of the rate or size of their hold over the market to promptly proceed with the readjustment of give and take and to play the role of "reservoirs." b) Strengthening of the unified and timely nature of the various kinds of tactics and measures used in adjustment and control including planning, import and export, prices, credits and loans, taxation, exchange rates, interest rates, industrial and commercial management and so forth, and the gradual formation of a flexible and effective system of macroeconomic adjustment and control. If we do not change the present state of affairs wherein certain departments and localities seek only their own interests, employ various tactics and measures purely for their own benefit, and allow many important problems to remain unsettled for a prolonged time without the coordination and help of the units having authority, then it will be

very difficult to realize the integration of the planned economy and regulation by market mechanisms.

What Is Important Is To Respect the Law of Value

By Liu Guoguang [0491 0948 0342], vice head of the Academy of Social Sciences of China

The problem of the integration of the planned economy and market regulation, or briefly, the problem of the relations between the two, is by no means a new one. The problem has been discussed for the 11 years since the Third Plenary Session of the 11th CPC Central Committee. Going back to 1956, during the period of our country's socialist transformation, Comrade Chen Yun already brought up this problem. And going even further back to the 1920's, in the period of enforcement of the new economic policy in the Soviet Union, the problem had already begun to be discussed. Since our country's enforcement of economic reform, at each important meeting and in each important document the understanding on the relations between plan and market has undergone certain new developments and a new mode of presentation. For example, presentation of the question of integration of the planned economy and market regulation was first made at the Sixth Plenary Session of the 11th CPC Central Committee. Now it is brought up again and is accompanied by new developments. It seems that, following the development of socialist economic construction and deepening of the structural reform, discussions on this problem will drag on for a prolonged period. In an article I wrote in 1983 I mentioned that, regarding certain relatively concrete problems such as on the relations between plan and market, we should not be too anxious to find a conclusion and thus to bind future generations, but should, by means of actual practice, constantly probe to find an answer suited to the conditions of the time. In his report to the Third Session of the Seventh NPC [National People's Congress], Premier Li Peng mentioned five points concerning the relations between plan and market. They were brought up on the basis of experience from actual practice in recent years, particularly on the concrete condition of the current improvement and rectification, and provided an answer suited to the needs of the current improvement, rectification, and deepening of the reform. In particular, in the third point, he said that the three forms of integration of plan and market, that is, the concrete employment of and the proportionate relations in coordination between mandatory planning, guidance planning, and regulation by market mechanisms, should constantly go through necessary readjustments in accordance with the character of different ownership systems, different industries, different enterprises, different products, different social production phases and areas and, in particular, the actual conditions at different periods of time. At present, in the period of improvement and rectification, we are precisely carrying out the necessary readjustments. And the direction of the readjustment is to focus on the excesses in power delegation and taking personal advantage in the course of

reform in the past and on the weaknesses in macroeconomic adjustment and control. Regarding the relations between plan and market, we should do more work in centralization and in planning, and exert more administrative measures including price freezing, expanding mandatory planning, enlarging the scope of allocation and appropriation of material resources, and so forth. Generally speaking, when economic development meets with difficulties or when a state of emergency exists, it is possible that carrying out this sort of reform is necessary, such as in time of war or in times of natural disaster. It is then necessary to strengthen centralized planning and measures of direct adjustment and control. Of course, this is a phenomenon of extraordinary times. But during an ordinary economic development period and in the course of economic reform, perhaps we should advance in the direction of reform of the macroeconomic adjustment and control structure ordained in 1985 by the party Central Committee in its recommendation on the Seventh 5-Year Plan and in the report to the 13th congress, that is, shifting from concentration on direct adjustment and control to indirect management. Recently, nothing has been mentioned about this important theory, but neither has it been refuted. Naturally, this is speaking about the great trend with reference to the entire structure of the national economy and not to any industry or product or stage and area in social production.

So-called shifting from concentration on direct adjustment and control to indirect management implies, in other words, the more frequent use of market mechanisms. Contrary to the past traditional structure of repulsion of the market mechanism and, in a certain limited context, our reform may be said to be one of the direction which the market will take, and naturally this reform of the market direction is not toward the market economy of capitalism but rather is a directional reform of the market which insists firmly on the system of public ownership as the main factor, and is under planned guidance and macroeconomic adjustment and control. That this reform has achieved an enormous success in China cannot be denied. The World Bank's recent "Memorandum on China's Economy" pointed out that, because of the adoption of a down-to-earth policy of reform, the accomplishments that China has made in these 11 years can hardly be compared with any other socialist country. Naturally, we cannot have a blind faith in market mechanisms. It has many drawbacks. To depend on an "unseen hand" in regulation is not workable, there must be planned guidance. In the past few years, because we overlooked the establishment and perfection of a macroeconomic regulatory mechanism, serious difficulties were met with and we were forced to carry out large-scale readjustment. The facts have proven the above point. Hence, the relations between plan and market must be handled well, and to place unilateral emphasis on any one side is undesirable.

As for the form of integrating plan and market, many suggestions were made in the past. This time, in the report on government work to the Third Session of the

Seventh NPC, differentiation was made between three forms, these being mandatory planning, guidance planning, and regulation by market mechanism. This was first suggested in the Third Plenary Session of the 12th CPC Central Committee but this time, from a new angle, all three were taken as forms for the integration of plan and market, thus embodying new ideas and envisaging certain development. Past theoretical circles also had something to say about the relations between plan and market, such as integration of the plank chunk [ban kuai 2647 1040] [inorganic integration of planning and market mechanism], infiltration, and organic type. Of them, the first referred to mandatory planning and regulation by market mechanism each forming a chunk, the second referred to the two chunks infiltrating into each other and the third, to the formation of one complete piece. This was what the 13th congress advocated as "the state adjusting and controlling the market and the market guiding the enterprise," or the so-called "innate integration" of the two. Viewed from the present time, integration of the plank piece type will exist for a long period, and even under the conditions of macroeconomic management principally under indirect control, direct adjustment and control still exist in part. In the case of products of exceptional importance which possess a bearing on the national economy and the people's living, products of a naturally monopolistic nature, and so forth, which have a relatively small flexibility in supply and demand, they still must be under the control of the state. As for the portion under the plan's direct adjustment and control, the general trend is that it should be minimized as much as possible except when meeting with emergency conditions. Naturally, in enforcing direct planned adjustment and control, it is necessary to consider the market's supply and demand relations, and to consider the demands of the law of value, and, hence, plank piece integration and infiltrating integration basically cannot be separated. However, if the solution of the problem can be wholly based on market supply and demand and the law of value, then there is no need for direct adjustment and control, and shifting to indirect control may be effected. The existence of compulsory administrative intervention is because localities cannot possibly comply fully with market supply and demand, and the requirements of the law of value. Hence, planned direct adjustment and control is not suited to the formula of "the state adjusting and controlling the market and the market guiding the enterprises." From this context it may be said that this formula is not universally applicable and does not have the significance of extending complete coverage over the whole society and whole national economy. But within the scope of indirect adjustment and control, in reality this formula cannot be deviated from, whether it is mentioned or not.

With improvement and rectification reaching the current stage of development, concurrently with the continued adoption of the necessary direct administrative measures, we must employ more economic measures, and, in macroeconomic management, continue to effect

transition principally to indirect adjustment and control. In the improvement and rectification stage, pure and simple administrative measures can achieve effects for a time, but this cannot be sustained. For example, on the side of commodity prices, the burden of financial subsidies has become increasingly unbearable. Under the conditions of the freezing of commodity prices, they are becoming daily more distorted and this can hardly be helpful to the readjustment of the economic structure. At present, improvement and rectification have achieved certain effects, such as cooling down of the overheating and dropping of the excessive increase in commodity prices, and people's anticipatory psychology about rising commodity prices has been eased. However, all these belong to the lower-level problems in economic life, and the use of administrative measures can have instant effects on them. But we are meeting with problems of an increasingly deeper level, such as problems of effects or of structure. Reliance now on administrative measures alone is insufficient, because their sources are in the internal part of the economic mechanism, including the microeconomic self-restriction mechanism, the central and local relations and macroeconomic adjustment and control mechanism, and so forth, all of which must first be converted and perfected. Therefore, the entire procedure of improvement and rectification will not work without increasing the weight of the reform.

After two years of strenuous effort, we have achieved a fairly loose and lax environment which provides a beneficial opportunity for deepening the reform. Under current conditions, if only we can keep under control the gross volume of money supply and keep the macroeconomic situation stabilized, we can proceed with an appropriate readjustment of prices. How may the problem of the double track be settled? Certain things and commodities must be kept under the plan's control, but with respect to products, the supply and demand relations of which are relatively loosened, they may be put onto the market. At the same time, this will cut down and reduce financial subsidies from the state. In short, the current moment is the best time for deepening the reform and we must not lose the opportunity.

What must be sternly pointed out is that, irrespective of the integration form adopted between the plan and market, we must give due respect to the law of value. This is a pivotal problem. When formulating a plan, if the role of the law of value is not taken into consideration, loss of control will happen just the same. In the past few years in our country, government has held in its hand the examining and sanctioning power over projects of fixed assets investments above the country level, for example the production of color television sets and refrigerators has been under the planned inspection and control of governments at various levels, but just the same, there has been loss of control. People value only the benefits of the moment and have failed to study the trend of the changes in long-term market supply and demand, and have not considered the demands of the law of value. As early as in 1956, Sun Yefang brought up

the viewpoint of placing "plan and statistics on the basis of the law of value" and this still has vitality. Naturally, what he talked about was not the law of market value. We must respect the law of market value and this is a step further advanced than Sun Yefang. By so doing, we can make planned economy and regulation by market mechanism integrate even better, and enable the national economy to progress smoothly along the track of sustained, stable, and coordinated development.

Certain Problems Need To Be Clarified

By Wei Xinghua [5998 5281 5478], professor, People's University of China

In the discussions on integration of planned economy and regulation by market mechanism, people are liable to emphasize "integration." In my opinion, in order to organically integrate planned economy and regulation by market mechanism, first we must clarify the following: 1) How may the regulatory mechanism of the plan be perfected? 2) How may the regulatory mechanism of the market be perfected? 3) How may we integrate relations between planned economy and regulation by market mechanism well? If planned economy itself has rendered a poor performance and regulation by market mechanism is imperfect, it will be extremely difficult to effectively achieve the organic integration of planned economy and regulation by market mechanism. Under the conditions of macroeconomic loss of control, serious currency inflation and disruption in market order, both plan mechanism and market mechanism will be unable to display their role of regulation normally, and it will also be difficult for planned economy and regulation by market mechanism to separately display their superiority and be integrated.

In an economy under the socialism system of public ownership, the form of integration of planned economy and regulation by market mechanism has no set or unified pattern, but there are integrated relations at many levels.

The socialist economy of our country is divided into the three areas of planned economy of a mandatory nature, planned economy of a guidance nature, and extraplan economy. Some comrades have divided it into the three areas of mandatory planning, guidance planning, and regulation by market mechanism. It seems to me that from the logic of presentation the latter division can easily be interpreted that the first two areas are not regulated by market mechanism, and that only the last piece is regulated by market mechanism. In the past, regulation by market mechanism was simply interpreted as the spontaneous regulation by market mechanism or the spontaneous regulation wholly by the law of value, and hence the integration form of "planned economy as the leading factor and regulation by market mechanism in supplement." Thereby from the angle of the reform of the planning structure the scope and limits of mandatory planning, guidance planning, and regulation by market mechanism were demarcated. Now everybody has come

to understand that in socialist commodity economy regulation by market mechanisms has two forms: One is the spontaneous regulation by market mechanisms, and the other is market regulation by planned guidance direction. This is to say, internally in planned economy there are also relations of integration with regulation by market mechanism.

Regarding the problems of integration of planned economy with regulation by the market mechanism, in theory and in practice the most difficult to solve are the integration regulations of planned economy of a guidance nature. In finding out the results of the directional reform of the market, it is necessary to see first the conditions of the organic integration of regulation by plan and regulation by market mechanism in the planned economy of a guidance nature. This is not only because this part of the economy occupies a relatively large ratio in the three divisions of socialist economy, but also because when the state shifts control of the enterprises from being principally direct to being mostly indirect, its purpose is to handle well the relations between the plan, market, and enterprises in planned economy of a guidance nature. Here, the link or connecting point in the integration of planned economy and regulation by market mechanism is the market. The object of the state plan's direct regulation through the employment of economic measures supplemented by administrative and legal measures is principally the market mechanism, following which the market mechanism regulated by the plan proceeds to regulate the operational activities of the enterprises. This is the important area in the truly organic integration of planned economy and regulation by market mechanism. But the reform on this side involves a long-term process and cannot be accomplished hastily. This is because the conditions of the "integration" are determined by two factors: One is the degree of perfection in the growth and development of the market and the market mechanism, and the other is the degree of perfection in the macro-economic adjustment and control system. In this area, between planned economy and regulation by market mechanism, the problem of which is principal and which is secondary does not exist, except that planned regulation plays a guidance role over market regulation.

Whether or not in planned economy of a mandatory nature it is possible, and to what extent, to enforce the integration of planned economy and regulation by market mechanism is determined by the reform of the mandatory planning system. If enterprises do not have autonomy in production, supply, and sales; in production, the variety of products, quantity of production, and the allocation and distribution of the problems are wholly determined by the mandates of the state; and the enterprises do not have direct commodity exchange relations with the market, then we can hardly talk of regulation by market mechanism. Naturally, mandatory planning must also take into consideration the status of market supply and demand, and consciously employ the law of value, but this is only an act of subjectivism

understanding objectivism, and is not an objective procedure of market mechanism displaying its role. It is for the sake of providing planning with a scientific basis, and consistency with economic laws should be the significance of planned economy or planned regulation. In the course of reform, enterprises enforcing mandatory planning may have a small portion of the products under the plan put on self-sales by the enterprises, while the portion of products outside the plan can also be put on self-marketing. The prices of the portions of self-sales can float and in this way regulation by market mechanism can display its role with a stated scope, and to a stated extent. However, in a mandatory planned economy, planned regulation plays the principal role and it may be said that the relations have planned regulation as the principal factor and market regulation as the secondary factor in integration. If mandatory planning is changed into the system of order-contracts for goods placed by the state with the enterprises, with negotiated prices approaching market prices, and the establishment of relations of commodity economy under a sort of planned regulation, between the enterprises and the state, then planned economy and regulation by market mechanism will be integrated in an organic manner.

The portion of the economy in excess or outside the plan occupies a relatively small ratio and does not belong to the category of planned economy. Hence, in this segment of the economy there are no relations of the integration of planned economy with regulation by the market mechanism. This portion of the economy is principally under spontaneous regulation by the market. But the economic portion outside the plan should also be subjected to the influences of the planned economy acting as principal body. For example, on various sides such as supply of raw materials, market forecasting, and provision of news and information, use and employment of levers of credits and loans, and taxation control of market and prices, and so forth, the state can exercise its guidance and influence on the economy outside the plan, and this is planned regulation to a certain extent. Here, market regulation is the principal factor, while planned regulation is supplementary.

Three Concrete Phases of Integration of Plan and Market

By Wei Jie [7614 2638], assistant director of the Economic Research Institute of the People's University of China

Under the present conditions of our country, integration of plan and market is manifested principally in the following:

1. Integration of plan and market in mandatory planning. According to the interpretations of certain comrades, it seems that what mandatory planning enforces is purely the principle of the plan and there is no problem of integration of plan and market. In reality, under the conditions of a planned commodity economy, mandatory planning must reflect and manifest the demands of the market and this precisely is a concrete form of the

integration of plan and market and is also the biggest point of difference between mandatory planning under the conditions of a planned commodity economy and mandatory planning under the traditional system. Under conditions of a planned commodity economy, when the state formulates the mandatory plan, it must take fully into consideration the conditions of market prices and the economic interests of the enterprises enforcing the mandatory plan. If the mandatory plan does not consider the conditions of market prices, and the prices fixed for the products under the mandatory plan are much lower than the market prices, then the whole mandatory plan may fall through. And, if the mandatory plan does not consider the economic interests of the enterprises enforcing the plan, then it will not be possible for these enterprises to generate any enthusiasm for production, and thereby the plan can in no way be realized. But in this form of integration between plan and market, the plan's nature must be a bit stronger and the market nature a bit weaker; hence, it is an integration of a strong plan and a weak market. Seen from the current conditions, the commodities suited to this form of integration are: a) Commodities which, because of limited state power, are unable to increase their supply in response to market changes, such as short-line or scarce products like energy and raw materials; b) Commodities meeting special social needs, such as products for the war industry and so forth; c) Commodities whose production consumes large amounts of materials that are scarce or lacking; d) Commodities of the best quality and not subject to any competitive selection; and e) Commodities having a long production period and requiring large-scale technological equipment for production.

2. Integration of plan and market in a free market. In certain activities of the national economy the state generally does no concrete planning and hence people have frequently taken the free market, for which the state makes no planning, as being entirely under market regulation in the belief that it is not within the realm of integration of plan and market. In reality, the free market also comes within the sphere of the integration of plan and market, and likewise encounters the problems of integration. In a free market, although plan does not directly or concretely carry out regulation, planning in effect ensures that the free market is standardized and running in an orderly manner. This is because a free market, as an organic constituent of the entire market structure, has innate relations with the other kinds of market and, if it is not standardized and made orderly, it will inevitably cause disturbances in other markets. Therefore, the state must, by means of plans, standardize the operational rules covering this kind of market, ensure its orderly operation, and build a good operational framework for this type of market. Planning to facilitate this type of market operating in an orderly and standardized manner is a concrete form of integration of plan and market. Naturally, in this integration form the plan character is a little weak and the market character is a little strong, and hence this form of integration is one of a strong market and a weak plan. Generally speaking,

products suited to this integration form are principally the already decontrolled subsidiary food products, the ordinary industrial goods for daily use, and certain small-scale means of production. So far as these products are concerned, although in their production consideration must still be given to the plan, the regulatory role played by the market is larger. Although the state does not exert concrete control over the production these commodities, it must still resort to planning to influence the production of these commodities to ensure standardization and orderliness.

3. Integration of plan and market in guidance planning. Although guidance planning does not forward planning directly to the various enterprises and compel them by force to carry it out, it does, by means of regulating the market, likewise regulate their activities. Hence, guidance planning is also a concrete form of integration of plan and market. In guidance planning the concrete manifestation of integration of plan and market is that planning grasps the macroeconomic variables such as gross volume of financial receipts and expenditures, gross volume of supply and demand of money, industrial structure, and so forth; and by means of the macroeconomic variables and the functional relations of market signals and information, proceeds to regulate the market's operational procedure, making market operations manifest and reflect the demands of planning. In this integration form, plan and market are merged into one body, displaying a sort of planned market role different from pure and simple planning, and also different from a pure and simple market. Under the role of this integration form, the plan stresses managing and controlling the gross volumes of the macroeconomy while the concrete economic activities, particularly the operational activities of enterprises and the residents' consumption selections, should all be subjected to the market displaying its even greater role. In the large framework of the planned regulation of macroeconomic variables, the market's role is to abide by the target of the plan to operate and to serve the purpose of realizing the planned targets. Hence, under the precondition of the planned control of the macroeconomic gross volumes, the more fully the market's role is displayed the better, and it will, by means of competition, make the national economy full of vitality. Planned control of the macroeconomic gross volumes and fully letting loose the market's concrete functions—this is the entire process of the integration of plan and market in guidance planning.

Improving Planning Work; Cultivating and Fostering Market Mechanism

By Zheng Jiaheng [6774 1367 0078], assistant director, State Statistical Bureau

At present, to perform well the integration of planned economy and regulation by market mechanism, we must "work along both lines" of improving planning work and fostering and cultivating market mechanism:

1. Enhance the scientific, integrated, and solemn character of planning.

Planning's scientific character. First, we must put planning on the foundation of overall balance, carry out gross volume balancing in reproduction of various stages of production, circulation, distribution, and consumption, and, on top of increased volume, perform the proportionate relations between consumption and accumulation well. Second, planning must be established on the foundation of the law of value. This is beneficial to the rationalization of the structure of industry, enterprises, and products and the geographical distribution of labor forces, and can spread the strong points and avoid the weak points. And change the current irrational state of industrial structures in the localities. Third, planning is beneficial to improving and perfecting the macroeconomic adjustment and control system with the industrial policy as the center. In addition, planning should pay note to make the guidance side outstanding on the basis of cooperation and coordination, and we should appropriately increase the flexibility of planning.

Planning's integrated character. a) Planning's area of coverage should extend over the whole society and should accomplish the feat that not only planning on production and construction must cover the macroeconomic targets of the whole society, but also planning on financial strength and material strength should be for the whole society, particularly performing well the job of overall financial planning. b) The planning on distribution and redistribution of the national income must be unified. Regarding the current lack of planning in macroeconomic distribution, it is extremely necessary, based on the principle of making unified arrangements for the interests of the state, collective, and individual, and in the planning and policy on distribution and their execution, to quickly rectify the state of the distribution of the national income being too slanted toward the individual, and thus to ease the state's financial difficulties.

Planning's solemn character. Principally, the macroeconomic adjustment and control system must be capable of ensuring the strict enforcement of the plan. First, we must adopt multiple methods, all at the same time, of adjustment and control economically, legally, administratively, and as related to political and ideological work. Second, we should fully utilize various kinds of economic levers such as interest rates, tax rates, exchange rates, prices, wages, and so forth, to achieve realization of the planning. Third, we must give the planning a workable character, accomplish integration of macroeconomic planning and mechanism, and integration of macroeconomic planning and intermediate (departments and localities) adjustment and control. Fourth, departments of planning, finance, and currency should cooperate and coordinate with each other.

2. Speeding up the cultivation of a healthy and perfect market mechanism.

Continue the deepening of enterprise reform and build the main body of the market. We must improve, perfect, and deepen the reform of the responsibility system for enterprise operation that envisages the separation of ownership rights and rights of usage under the public ownership system; truly sever the binding cord of enterprises eating from the same big pot at the expense of the state; rectify the situation of the government not being separated from enterprises; build up enterprise legal persons that can operate independently, be solely responsible for their own profits and losses, and accomplish self-development; and set up the necessary foundation for regulation by market mechanisms. It is necessary to establish, by means of contractual relations, economic liaison between the state and the enterprise, and between the enterprises themselves. Enterprises must give priority to the tasks of accepting placement of orders from the state, whereas the state must provide the enterprises with a normal external environment.

It is necessary to consciously follow the law of value in our acts. We must grasp the current advantageous opportunity of the relative laxity in market supply and demand relations, under the precondition of imposing strict control over the issuance of banknotes, based on the elasticity in supply and demand of different products, and apply varying methods of readjustment, control, and decontrol to carry out the reform of the price structure. We must act on the foundation of the market's competitive mechanism and state macroeconomic accounting, and gradually accomplish the feat of employing the principle of using the average profit rate to push the readjustment of the enterprise and product structure, facilitate the rational flow of the essential elements of production, and enhance social economic effects.

It is also necessary to handle the relations between the central interests and the local interests well and set up a unified market. Without the existence of normal and standardized economic interest relations between the central and the local, there will be the formation of locality blockades, demarcation of spheres of influence of markets, setting of barriers of trade, and serious impediments to the rational flow of the essential elements of production, thus the lack of normal local for regulation by market mechanism. Therefore, it is necessary to vigorously push reform in the financial and taxation relations between the central government and the local governments, and to further set up a tax-division system to replace the existing enforcement of the contract system. At the same time, we must set up the necessary antimonopoly regulations to help the formation of a mechanism of competition in equality.

Regulation by market mechanisms must be carried out under the guidance of the state plan, and correct news and information must be used in guidance to avoid acting blindly. A meticulous choice of market news and information (news on supply and demand, news on prices) must be made, to avoid erroneous guidance. In the meantime, there must be good management work

over the market to ensure the normal progress of regulation by market mechanism.

Integration of Planned Economy and Regulation by Market Mechanism Seen From Commodity Circulation

By Zhang Shuping (1728 2885 1627), assistant director, Department of Planning and Regulation, Ministry of Commerce

A. Actual practice in commodity circulation requires the integration of planned economy and regulation by market mechanism.

In the 30 years before the Third Plenary Session of the 11th CPC Central Committee, the system of a planned economy with a high degree of centralization was in force. At the time, the market was short of commodities, the variety of products was simple and unitary, and the populace encountered much inconvenience in living. Since the Third Plenary Session of the 11th CPC Central Committee, reform in the direction of the market has been in force, the domestic markets have been prosperous and activated, new varieties of products have emerged day after day and month after month, and there has been a great enhancement in consumption levels and in the degree of its variety. However, rather large gaps have existed for many years between supply and demand. From this fact, the following may be seen:

1. By means of restricting consumption, planning can enable the gross volumes of supply and demand to achieve balance on a low level, but, because of their instantaneous and multifarious changes, it cannot solve the contradictions in the structure of supply and demand. Crude-line planning may provide the masses with food to eat and garments to wear, but eating better and wearing more stylish clothing require the regulation of market mechanism. It is impractical to hope that by strengthening planned management and administrative measures we can readjust all the industrial and market structures. Certain problems in industrial structure and particularly structure of products should follow the direction of the market and principally find a way out through the employment of economic measures.

2. Regarding materials which are scarce or lacking, that is, whose demand elasticity is very small and supply is limited, planning can achieve the objective of rational allocation, but quite possibly this rationality is not "profitability." This is because formulation of the principle of distribution is based principally on the angle of noneconomical interests, for example, considered from the standpoint of social security and public welfare. Regarding materials which are relatively plentiful, distribution through regulation by market mechanism can realize the largest and highest degree of economic interests, thereby enhancing efficiency and facilitating development. Speaking concretely about the realm of circulation, market stability depends on planned regulation, while market invigoration likewise depends on planned regulation.

3. Since the functions of plan and market compensate each other and possess this common basis of the public ownership system, if only we can display the strong points and avoid the weak points, it will be possible, in the circulation realm, to realize an organic integration, gradually accomplish the feat of balancing of the gross volumes, and the coordinated development of the structure.

B. The key for grasping the integration of planned economy and regulation by market mechanism in the realm of commodity circulation.

1. Establish an objective adjustment and control system that reacts sensitively and operates promptly. For planning to make conscious arrangements of a long-term and strategic nature, and to be integrated with the concrete and spontaneous changes of the market, it must pass through the intermediary of the macroeconomic adjustment and control system. In other words, a macroeconomic adjustment and control system must accomplish the feats of forming a link between the preceding and the following, not only manifesting the intentions of the planning, but also making prompt and appropriate reactions to instant changes in the market. In actual operation, the targets of adjustment and control should be the ability to handle sudden changes in the market, to level and stabilize market prices that are too high or too low, to regulate increases or decreases in the gross volume of supply or demand, and thus avoid drastic changes one way or the other. The major points in adjustment and control are: a) Planned management of purchase and sales of commodities. In the case of the small number of major commodities, the central government and the local governments must, through mandatory planning, separately hold a definite ratio of the production volume of material sources. b) Commodity reserve and storage system. Keep in storage and on reserve certain commodities for use in relief and for stabilizing market fluctuations, with expenses to be borne by national finance. c) State-run and supply and marketing cooperative societies playing the role of "reservoirs," regulating by letting in and letting out, by storing in slack seasons and selling in busy seasons, and by storing in times of laxity and selling in times of stringency, principally through enlarging the differential prices between seasons and through such other economic measures as releasing directional and preferential loans to enterprises to attract their consciously keeping reserves and storages of commodities. d) Setting up market regulation funds and risk-bearing funds for agricultural subsidiary products, and having them centralized for use and producing increased value by moving, separately protecting the interests of the consumers and the producers. Use of the funds may be integrated with such price control forms as fixing price ceilings and protective prices floors, the principal purpose being aimed at commodities that are not subject to price fixing by the state but are still of relatively great importance. e) Through the commercial departments and by means of the government placing orders for goods, the state can engage in the processing,

with all materials supplied, of minor commodities needed by the market but that have small profits and the production of which is detested by industry at large.

2. Formation of a united and standardized commodity market system. The market mentioned here refers to a concrete marketplace with definite scope in time and space. Under the guidance of the state plan, all the various kinds of principal exchange activities are gradually incorporated therein, forming a national market which has the features of justice in competition, completeness and perfection in documentation, development in credit, and smoothness in circulation. In such a market, commerce jointly operated by the state can actively participate in the regulation and display of its guidance role. The state's wishes can be directly manifested in the form of economic or legal measures, without being distorted or violated by regional or departmental interests. According to the classification of industrial products, and agricultural and sideline products, at the moment we should emphasize the establishment or perfection of the following: a) Central futures market for agricultural and sideline products, carrying out regulatory exchanges on a nationwide scale of important agricultural and sideline products in bulk, and forming predetermined prices of a guiding significance in both supply and demand. b) Wholesale market or auction market for agricultural and sideline products, principally handling regional readjustments and cash transactions and, through equality in competition and ensuring good quality and good prices, rectifying the serious deviation from actual value in the prices of certain agricultural and sideline products. c) Special operation and monopoly. In the case of individual important agricultural and sideline products, means of production and high-value, and highly taxed industrial consumer goods, unify the three factors of their planned or exchange scale, prices, and operational channels, and enforce state-entrusted monopolistic operations. d) Wholesale markets for industrial products, including customary markets such as exchanges for industrial initial-grade products, industrial products trade centers, minor commodities wholesale markets, and so forth. Rational management and control regulations and transaction rules should be formulated. The management personnel and those engaged in the transactions and coordinating measures in finance, taxation, and news and information should be perfected so as to facilitate the absorption of more enterprises into the market and to facilitate the state in supervisory and guiding work. e) Noncustomary markets such as trading societies, order-placement clubs, and so forth. The existing "horse-and-mule trading societies," in their crude form, should be changed, and in their place we should display the cooperative and coordinating role of organizations like industry and trade federations, develop such practices as the "merchant guides," joint transactions, joint purchases but separate sales, and gradually form "extensive-transaction societies" in internal trade.

Develop and Perfect the Overall Financial System of Making Unified Arrangement for the Social Financial Power

Article by Yun Zhiping [7189 2533 1627], assistant director, Department of Overall Planning, Ministry of Finance

How planned economy and regulation by market mechanism may be integrated is truly an extremely complex problem. Seen from the side of financial work it is a problem that merits important attention and intensive research.

Prior to reform of the economic structure, our country carried out a highly centralized and unified system of control. In national finance, the policy of unified receipts and expenditures was enforced, while in the localities and departments financial strength was extremely limited. Since the Third Plenary Session of the 11th CPC Central Committee, we have carried out a series of reforms with the principal contents of financial retrenchment, delegation of power, tax reduction, and ceding of interests. Extrabudgetary funds greatly increased in volume. But under such conditions the former practices were still followed and operations were still confined within the framework of the budget. Obviously, this was no way out. As a result, how to make unified arrangements of the financial resources inside and outside the budget, as well as in society as a whole, and carry out all-round balancing, has become a new problem of developing financial work in the new situation.

In recent years, following extensive probing work done by the financial and relevant departments at various levels, three kinds of overall financial plans of different scopes have been formed. It may be said that they are effective forms for distribution of financial power in the integration of planned economy and regulation by market mechanisms.

1. Overall financial plan. This plan includes funds inside and outside the budget, of which receipts and expenditures of funds inside the budget are under the mandatory plan, while those outside the budget are under the guidance plan. Combination of the two forms of the overall financial plan is actually integration of the mandatory plan and guidance plan. Based on the overall financial plan, through an overall analysis of the financial power inside and outside the budget and for the sake of increasing the state's investment in major construction and regulating the proportionate relations between funds inside and outside the budget, in 1988 the government successively started the collection sinking funds for energy and communications major construction and budgetary regulatory funds. In order to control and guide the direction of use of funds outside the budget, the government began levying the bonus tax, salary and wages regulation tax, building tax, and so forth, and through the form of financial credits raised a portion of funds from outside the budget. Seen from local finance, certain localities have, through formulating the overall financial plan, made unified arrangements of funds

inside and outside the budget, employed funds outside the plan to supplement insufficient financial power inside the budget, reduced the pressure within the budget, ensured the normal expenses of administrative and business units, and facilitated the stable development of the local economies.

2. Overall financial credits and loans plan. This plan includes the credit and loan funds of banks, aside from the funds inside and outside the budget. In order to develop the compilation work on a nationwide scale of the overall financial credit and loan plan, in 1983, the National Planning Commission, Ministry of Finance, People's Bank of China, and the Statistical Bureau began probing work on the national overall financial credit and loan plan. Subsequently, in the various localities, compilation work on the overall financial credit and loan plan was also organized. Planning, financial, banking, and statistical departments at various levels all coordinated and cooperated with each other, and the work developed rather smoothly. As the development of the situation demanded, beginning in 1986 the national overall financial credit and loan plan was formally compiled and was listed as an important constituent part of the national economic and social development plan. Actual practice over the past several years has shown that compilation of the overall financial credit and loan plan has played an active role in macroeconomic policy-making, raising construction funds, rationally guiding the direction of the use of funds, and carrying out the overall balance of financial credits and loans.

3. Overall balance of social financial power. This includes six parts, namely, funds inside the budget, funds outside the budget, bank credit and loan funds, funds of units under the collective ownership system, residents' monetary funds, and utilization of foreign capital, with each and every one of these powers possessing concrete contents. By means of the estimate of the social financial power, it is possible to make an objective description of the mandatory plan, guidance plan, and the financial distribution pattern formed by regulation by market mechanism, and thus to provide a basis for studying the policy on distribution of social financial power and the policy on the pattern of distribution by regulation and adjustment.

At present, together with integration of planned economy and regulation by market mechanism, financial work has achieved only initial progress. There are still many problems requiring study, while management over the overall financial plan still needs further development and improvement. Regarding financial power of different sorts in overall finance, different policies and measures should be adopted. As for the state budget, bank credits and loans and use of foreign capital which belong to financial power under the control of mandatory plan, it is necessary to augment the restrictive power and formulate basic statutes such as "budget law" and "banking law" as soon as possible. Funds outside the budget under control of the guidance plan must be liquidated and consolidated, and those that should be

incorporated into the control of the budget must be so incorporated as soon as possible. At the same time, storage and deposit work in special accounts for funds outside the budget must be improved and perfected, and effective means of the rational guidance and use of the funds must be adopted. Regarding the financial power principally emerging from regulation by the market mechanism, we should carry out rational guidance, adjustment, and control, through bettering the macroeconomic adjustment and control system, and deepening the reform, advocate an appropriate degree of consumption, strengthen regulation by taxation, and develop the guidance and rational direction of flow of financial credit.

Footnotes

1. *Selected Works of Marx and Engels*, Volume 4, p. 368.
2. *Collected Works of Lenin*, Volume 3, p. 566.
3. *Selected Works of Mao Zedong*, Volume II, p. 769.
4. *Ibid.*

Further Define the Guiding Ideology for Socialist Education Work

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[Article by Zhang Chengxian (1728 2110 0341)]

[Text] After the founding of New China, the party and state formulated a series of principles and policies for the socialist transformation of old China's semifeudal and semicolonial education, gradually brought our educational undertakings onto the track of socialist revolution and construction, and established the socialist education system, thereby bringing about a fundamental change in the nature of education in China. Although the development and reform of socialist education in China have experienced a tortuous course, historic achievements worthy of attention have been made over the past 40 years, particularly during the decade since the Third Plenary Session of the 11th CPC Central Committee, and new qualified people of a new type have been brought up for society.

While affirming these achievements, we must clearly see the grim situation confronting education in our country. On the whole, our education is backward and is seriously out of step with the needs of socialist modernization. We have not done enough to establish the strategic position of education. With a shortage of investment, education is hard-pressed for funds. Wages and conditions for teachers are meager and lack attraction, and conditions for running schools are poor. All these have affected the steady development and improvement of education. Problems in this connection need to be tackled in earnest. However, the fundamental problem in education lies in what type of people it brings up. Mistakes in this connection should arouse our particular attention.

Comrade Deng Xiaoping pointed out some time ago: "Our worst omission of the past 10 years was in education. What I meant was chiefly political education, and this does not apply to schools and students alone, but to the masses as a whole. And we have not said much about plain living and the enterprising spirit, about what kind of a country China is and how it is going to turn out. This is our biggest omission." In the student unrest—turmoil—rebellion last year, many serious problems with our school education were brought to light. We should earnestly reflect on these problems and properly sum up experience and lessons in order to improve our work.

Face the Severe Challenge by Putting Moral Education in the First Place

Our socialist modernization is carried out under the severe challenge of international monopolistic capital in economic, political, and cultural matters. Following the Third Plenary Session of the 11th CPC Central Committee, we concentrated our efforts on economic construction and applied ourselves with one heart and one mind to the four modernizations. In order to face the challenge of the new global technical revolution, we must devote major efforts to develop education, greatly raise our scientific and technological levels, bring about a substantial growth of social productivity and increase our national strength. These requirements are both essential and correct. However, over the past few years we have become less and less aware of the challenge of "peaceful evolution" perpetrated by international bourgeois hostile forces. Some of us have even totally lost our vigilance. This situation is also reflected in education work. After setting things right and shifting the focus of their work, schools began to take education as their central task and sought to bring about a substantial improvement in the cultural and scientific levels of students. Of course, these were the right things to do. However, there was also the tendency to stress intellectual education at the expense of moral education and to overlook and weaken ideological and political work in schools. The turmoil and counterrevolutionary rebellion which broke out at the turn of spring and summer last year sounded the alarm to us. It has been proven by facts that representatives of international hostile forces and bourgeois liberalization will always take schools as the main arena of their infiltration activities and will always make students the targets of their corrosion and contention. Dulles' "famous words" were to pin the hopes of "peaceful evolution" on young people of the third and fourth generations. There is an acute struggle between the proletariat and the bourgeoisie over the younger generation. The rigorous historic task before us is to improve and strengthen work over schools, bring up the younger generations as successors to the revolutionary cause of the proletariat, defeat the strategy of "peaceful evolution" directed by the international bourgeois hostile forces against us, and ensure the success of our socialist modernization.

Comrade Mao Zedong once emphasized that schools must put a firm and correct political orientation in the first place. This is the natural requirement and reflection of the class nature of education in a class society. In the past, we interpreted this issue in a one-sided way and passed ultraleft judgment on the class struggle and political situation. We even came up with the erroneous theory of "two appraisals" during the Cultural Revolution and unfolded in schools the struggle where one class overthrew another. Our educational undertakings suffered enormous damage and destruction as a result. This also affected social productivity. After the smashing of the "gang of four," some people began to question the correctness of putting political orientation in the first place, arguing that this was an inappropriate demand when schools were already taking teaching as their central task. Comrade Deng Xiaoping provided his clarification on this question. In his address to the National Conference on Education Work in April 1978, he pointed out, "There is no doubt that schools should put a firm and correct political orientation into the first place. However, this does not mean that long teaching hours should be devoted to ideological and political education. Asking students to put a firm and correct political orientation into the first place does not preclude the study of science and culture. Quite to the contrary, the higher the political awareness of students, the more conscious and assiduous will they be in studying science and culture for the revolution." At the same time, Comrade Deng Xiaoping also clearly pointed out that science and technology constitute an important factor, or the primary element, in the development of social productivity. He said that science and technology are the key to the four modernizations, and education is the basis for the training of scientific and technological personnel. He thus stressed the strategic position of education in the development of the national economy. Comrade Deng Xiaoping's guiding ideology was very clear. He wanted to see the cultivation of a firm and correct political orientation combined with the improvement of scientific and cultural levels. When we stressed the need to correctly resolve the relationship between education and economic affairs after the shift in work focus (which is absolutely essential but has not been fully resolved as yet), some people began to have a muddled idea of the class nature of education, overlooked the relationship between education and politics, showed tendencies to slight and become divorced from politics, and forgot the fundamental issue of adhering to the correct political orientation. In our demands on young students, we tended to pay more attention to and stress vocational knowledge (which is quite necessary) and overlooked politics. Political requirements often became soft tasks and soft targets. In particular, we lacked vigilance under the impact of Western bourgeois trends of thought and the strategy of "peaceful evolution." We also underestimated the protracted and arduous nature of the struggle between corrosion and anti-corrosion, and failed to persistently uphold the four cardinal principles and resolutely fight against bourgeois liberalization. At a

result, many young students lost their political bearing at a crucial moment. The lesson was a painful one indeed.

We must fully understand the functions of education and fully implement the educational policies of the party and state. Education must serve socialist construction. It must not only serve the building of socialist material civilization, but must also serve the building of socialist spiritual civilization as well as of socialist democracy and legal system. The people we bring up must be laborers with socialist consciousness and culture and be trained personnel who are both Red and expert. Arm-chair politics will not work in the modernization drive, but if we plunge ourselves headlong into vocational work and lose our political bearing on fundamental issues, it is just as dangerous. Our modernization is socialist modernization and our reform and open policy must proceed in the direction of socialism. The people trained by our schools must be people who adhere to the socialist orientation. We must never have any muddled ideas on this question.

With the tendencies which had cropped up in education work in mind, Comrade Jiang Zemin specially pointed out in his speech at the meeting marking the 40th anniversary of the founding of the PRC that "schools of different types at all levels should not only establish a complete system for conveying knowledge but should put moral education in the first place and build up a firm, correct political orientation." Putting moral education in the first place and building up a firm and correct political orientation do not imply returning to the old days when politics could sweep away everything, putting moral education in a position of overriding importance, or severing moral education from intellectual, physical, aesthetic, and labor education. Instead, it requires only the following:

1. We must resolve the question of the "proper placement" of moral education, from leadership ideology to actual practice. We must regard as the fundamental task and common objective of schools the bringing up of successors to the proletarian revolutionary cause, of people who have moral integrity and are educated and disciplined, and must incorporate ideological and political work into the education and teaching system as a whole.
2. We must strengthen party and league work in schools, for this is the fundamental guarantee for making a success of their political and ideological work.
3. We must improve and strengthen lessons on ideology and moral integrity and political and ideological education in schools, for they are the most important channels for conducting ideological and political education and resolving problems of outlook on life and the world.
4. We must introduce elements of moral education into the teaching of various courses and conduct ideological education in the light of the characteristics of specific courses.

5. We must introduce elements of moral education into the entire process and individual links of school activities in order to cultivate people in the course of education, management, and the provision of services.

6. Teachers should be engineers of the human soul. A teacher is not merely one who conveys specialized knowledge. He or she is also a teacher of moral education, and must teach and cultivate people at the same time.

7. Schools must strengthen their ties to families and society; and community organizations must be established to share with schools the task of educating the youngsters.

Schools alone cannot do these tasks well. The whole party and all of society, including the theoretical, literary and art, news and publication circles, must be mobilized and must make concerted efforts to create a fine social environment for the healthy growth of the youngsters.

Uphold Communist Ideological Education and Persist in Combining Education With Productive Labor

The socialist modernization drive and the reform and open policy need skilled personnel in various fields. Regardless of their specialty, all skilled people must, as pointed out in the Decision of the CPC Central Committee on Reform of the Education Structure, be "persons of moral integrity with lofty ideals, well-educated and disciplined, have an ardent love for the socialist motherland and the socialist cause, and work with dedication for the prosperity of the country and the people. They should constantly pursue new knowledge and cultivate the scientific spirit of seeking truth from facts, thinking independently, and daring to make innovations." To meet this requirement, education departments must fully implement the educational policies of the party and state. In particular, they must persevere in communist ideological education and persist in combining education with productive labor.

Since the founding of the People's Republic, we have consistently stressed the need to take Marxism as guidance, conduct communist ideological education among young students, and resolve problems concerning the world outlook and outlook on life. Some time ago, however, the banner of Marxist education was not quite clear-cut and communist ideological education was not conducted justly and forcefully. Some people said that we are now in the primary stage of socialism and must develop the commodity economy, and it is a departure from reality and from the masses to conduct communist ideological education at the present stage. According to these people, ideology and moral integrity can only remain at a low level at the primary stage of socialism. These people even came to the absurd conclusion that "corrupt practices which cropped up in the course of developing the commodity economy are unavoidable." At this point, it is necessary to study again Comrade Mao Zedong's *On New Democracy*. During the period of the new democratic revolution, the party's specific policies

were new democratic policies while its guiding ideology was Marxist ideology, and it was still necessary to conduct communist ideological education among the masses. This scientific ideological system was used to observe, study, handle, and resolve problems. The new democratic revolution would not have succeeded if communist ideological education had not been carried out during that period. We have now entered the stage of socialism and have to carry out socialist modernization. Is it not an absurd idea to argue that we no longer need to conduct communist ideological education now?

Today, conducting Marxist and communist ideological education among young students and helping them resolve problems concerning the outlook on life and the world is not something optional. Rather, it is a very pressing task. Our spiritual strength lies in arming the people with the Marxist and communist ideology and establishing a correct outlook on life and the world. It is by no means fortuitous that countless known or unknown Lei Feng-style advanced personages have emerged on the vast land of China and countless of known or unknown Jiang Zhuying- [5592 459] 5391] and Luo Jianfu [5012 0256 1133]-style advanced personages have emerged in intellectual circles. The point of breakthrough in attempts by the bourgeoisie to win over the younger generation was to corrupt our young people with the bourgeois political vies and sense of value. Prominent figures of bourgeois liberalization were keen on preaching the bourgeois sense of value in China. They used individualistic egoism, money worship, and anarchism to corrupt people's minds and undermine the fine qualities of the Chinese nation and the inheritance and carrying forward of the revolutionary traditions of the Chinese people. Representatives of international hostile forces also preached the American sense of value among the Chinese people, and won the support and acclaim of some people. As seen from the erroneous ideas exposed in the incident last year, many students lacked an understanding of the most fundamental viewpoints of Marxism, such as the class viewpoint, mass viewpoint, labor viewpoint, and other viewpoints of historical materialism. This further illustrates the necessity and importance of educating the young people in communist ideology and helping them cultivate a correct sense of value and outlook on life and the world. It also shows the necessity and importance of using the Marxist stand, viewpoint, and method to observe and handle problems. Our responsibility in conducting education on these aspects has thus been increased.

In recent years, many young students have developed the idea that anything foreign is good. They lack national pride and confidence. It is thus necessary to strengthen education on patriotism among young students. However, this education must be combined with education on socialism and communism so as to help young students profoundly understand that China taking the socialist road is a choice made by history, that historical development has determined that without the Communist Party there would be no New China, that only

socialism can save China, and that China can develop only under socialism. Only in this way will education on patriotism produce good results. Although we have made mistakes in the course of socialist construction, we still have achieved a satisfactory rate of development. China is a big country with 1.1 billion people, a country where economic development is very uneven. If we depart from the socialist road, switch to capitalism, and build a republic under the dictatorship of the bourgeoisie as proposed by prominent figures of bourgeois liberalization, there would be serious polarization, the masses of laboring people who had been liberated would be oppressed and exploited once again and forced to live in misery, and China would again be torn apart. China would lose its independence in the world league and become an appendage to imperialism. Brandishing the patriotic banner, Fang Lishi, Yan Jiaqi, and others tried to turn China into a bourgeois republic. In the end, they all took the road of national betrayal and threw themselves into the arms of the imperialists. Such is the logic of historical development. If we are to talk about patriotism in China, we must show a clear-cut and ardent love for the socialist People's Republic.

When we conduct Marxist and communist ideological education, we must combine theory with practice, and study and resolve new conditions and new problems arising in the course of social development. In this connection, problems abound. We must devote major efforts to study these problems in depth and provide careful guidance.

It has been proven by historical and practical experience that in order to train all-round builders of socialism who are both Red and expert, we must also uphold the principle of combining education with productive labor.

Marx, Engels, Lenin, and Comrade Mao Zedong all attached great importance to the combination of education with productive labor and regarded this as the most powerful means for remolding society in a capitalist society. They also regarded this principle as an important channel for training all-round new people who can combine theory with practice and apply what they have learned in practice, and for the gradual elimination of the distinction between mental and physical labor after the seizure of political power by the proletariat. Lenin once said that "neither teaching and education divorced from productive labor nor productive labor not carried out alongside teaching and education can reach the high standards required by modern technology and the present state of scientific knowledge." It has been the consistent principle of our party to combine education with productive labor. Although this principle has been somewhat distorted during the Cultural Revolution and there have been erroneous practices, the principle itself is not to blame.

What merits attention is that the principle of combining education with productive labor is no longer stressed. We have even departed from this principle, turning school education into self-confining education for the

sake of entering schools of a higher grade. We must see the serious consequences of our departure from this principle. Many undesirable tendencies have emerged among young students. First, the tendency to disdain labor. Some people are even reluctant to perform self-serving labor. Labor creates the world. One of the fine traditions of the Chinese nation is to engage in hard work industriously and with courage. One who disdains labor will invariably seek comfort, and this will make him or her likely to degenerate. Second, the tendency to disdain practice, which has resulted in the undesirable study style of separating theory from practice. Rather than striving to gain a thorough understanding of China's conditions, studying practical problems of China's revolution and construction, going down to work at the forefront of the struggle for production, and using their own hard work to change the appearance of the motherland, these students talked endlessly about "the West" and agitated for "total Westernization." Third, the tendency to disdain the laboring people. Some people considered themselves the "elite of society" and had a "superman complex," thinking that they were a head taller than the laboring people. Hence, they were simply unwilling to go among the masses and learn through practice. Instead, they actively worked toward "elitist politics" and longed to be natural "leaders" and people's "guides," so they could lord it over the people and order them about. Lately, the party and government have taken a number of measures to correct the deviations of becoming divorced from reality and from the workers and peasants and disdaining practice. For instance, schools are required to strengthen their ties to society, education on productive labor is carried out among students, students are organized to take part in social practice, and the integration of intellectuals with the workers and peasants is advocated. These measures all proceed from our love for young students and are conducive to their healthy growth. In carrying out socialist modernization, we must respect knowledge and respect qualified people. The intellectuals are the strength upon which we rely. However, it is only through participation in social practice and integration with the workers and peasants that the intellectuals can give full scope to their wisdom and resourcefulness and develop their ability to the full in socialist modernization. From historical experience, we know that for a young intellectual to grow up into a person useful to the state, he must first show dedication in working for the rejuvenation of China and must go through tempering in actual struggle. The overwhelming majority of backbone cadres on various fronts, as well as leading cadres at various levels, have all undergone tempering in actual struggle. One cannot become a leading cadre who can take charge of the whole situation as soon as he leaves school. Some people say that we are "taking the beaten track" in stressing the need for intellectuals to integrate with the workers and peasants and take part in social practice, that this is a punishment for intellectuals and university students. This is their misunderstanding. They may have taken the wrong standpoint in their deliberation, or have deviations in their understanding. Of course, while

implementing the principle of integrating education with productive labor, we must also correctly sum up historical experience and avoid deviations and mistakes made in the past. We must use the fruits of success gained in the course of practice to help people raise their level of understanding, correct their attitude, and advance along the correct direction.

Scientifically Understand the Relationship Between the Social Function of Education and the Development of Man

During the discussion on the purpose of education some time ago, some people pointed out that we were wrong in making education serve proletarian politics in the past and were also wrong in demanding that education serve socialist economic construction now. They said that the function of education should be to cultivate people and improve people's quality. They further criticized our educational viewpoint as utilitarian, saying that we regarded education as a social tool and overlooked the development of man. Based on these arguments, they came to the conclusion that our socialist education was a failure. This concerns the question of how to interpret the relationship between the development of man and social development, as well as how to handle the relationship between the function of education in cultivating people and its social function. On this fundamental question the views of Marxism and humanism are quite different.

The view that the function of education is to cultivate people is not wrong. The question lies in how we want our people cultivated. We cannot talk about the cultivation of people in abstract terms, in isolation from a given society or from the politics and economics of a given society. As a matter of fact, abstract education does not exist. In a capitalist society, the bourgeoisie cultivates people according to its needs and its sense of value. In a socialist society, the proletariat requires that education serves proletarian politics and economics and that the communist ideology be used to cultivate and influence people. If we talk about the cultivation of people in abstract terms, ignoring the needs of proletarian politics and economics, we will definitely open the doors to bourgeois infiltration.

According to the Marxist point of view, the function of education, as seen from the wider perspective of historical materialism, is to disseminate the experience and knowledge of man's struggle to transform nature and society, of man's struggle to remold the subjective world in the course of remolding the objective world, and so on and so forth, so that man can continuously advance from the realm of necessity to the realm of freedom and grasp its own fate. The remolding of the objective world and the remolding of the subjective world are interlinked and unified. In order to better remold the objective world, it is necessary to remold the subjective world; the ultimate aim in remolding the subjective world is to remold the objective world. We are opposed to setting "man as the unit" against "society as the unit." The function of

education to cultivate people and the social function of education are inseparable. While stressing that education must serve socialist construction, we must also stress the need to cultivate all-round socialist new people. The education policy epitomized by common expressions like "three orientations," "better-educated and self-disciplined new people with high ideals and moral integrity," and "the simultaneous development of five educations" (naturally there is also the question of how these are expressed) has scientifically handled the relationship between the development of man and social development, and embodied the dialectical unity between the needs of social development and the needs of man's own development.

We attach importance to the all-round development of man, advocate the principle of teaching students in accordance with their aptitude and persist in combining the cultivation of skilled people with socialist consciousness with the full development of students' individuality and strong points. We are required to bring into play the initiative and creativity of students and reform those ideas and methods of education that stifle man's wisdom and thwart the growth of talents, as well as various erroneous practices which stress "uniformity." However, this is fundamentally different from the notion of "absolute freedom of individuality, absolute liberation of individuality, and absolute freedom of choice" spread among young students. The proponents of this notion proceeded from the humanist point of view in negating our socialist principle of education. On the questions of "man as the unit versus society as the unit," "human nature versus class nature," "individuality versus social nature," "the individual versus the collective," "egoism versus altruism," and "for oneself versus for the people," they emphasized the former rather than the latter. In stressing the development of individuality, they set the development of individuality against the development of the collective spirit and against the development of society, and stressed taking "the ego" as the main body and as the center. This caused young students to lose their clear objective in life, and produced extremely harmful consequences.

Bourgeois humanism has its historical process of development. During the European Renaissance, bourgeois humanitarian educators used "human nature" to oppose "sacrosanctity," and used "human rights" to oppose "religious authority." They advocated the emancipation of individuality and affirmed the role and value of man. These played a progressive role at that time. Humanism is now in vogue in the United States. Its proponents actively advocate that man has the potential of self-realization and preach the theory of individual personality. They put particular emphasis on the value of the self, and say that man's ego is developed through self-satisfaction and self-realization. They see man in abstract and natural terms in isolation from society, and set the development of man against social development. Under the guidance of this kind of ideology, social requirements and social objectives are ignored. They

only stress the "self-value" and "self-development" of man, emphasize the role of the individual, and advocate putting "the ego" above everything else. They are, in fact, educating people in the spirit of individualism and cultivating the individualistic outlook on life. These viewpoints have a large audience in "the West." If we transplant these bourgeois humanist ideologies nonselectively and uncritically, regard these as new ideas that are to supersede the Marxist ideological system, we will be publicizing the bourgeois world outlook, cultural outlook, and moral outlook. In the end, those who suffer most severely will be young students who are inexperienced and lack a basic understanding of Marxism-Leninism-Mao Zedong Thought. Hence, in order to uphold the Marxist educational outlook in the realm of education, we must be able to make a clean break with bourgeois humanism in our guiding ideology.

From the Marxist point of view, man is primarily a social being. "Man's intrinsic quality is not the abstract qualities inherent in a single person. In its practicality, it is the sum of all social relations."¹ The relationship between the development of man and social development is one of mutual promotion and dialectical unity. Social development creates the conditions for the development of man, while the development of man promotes social development. The value of life lies in one's contributions to the development of mankind. Hence we advocate educating people in the spirit of collectivism. The development of the individual should help promote and must never influence or undermine socialist modernization. This is where the fundamental interest of the people lies. This viewpoint of ours on the dialectical unity of social development and the development of man is in conformity with reality and Marxism. The prominent figures of bourgeois liberalization said that we stressed only the collective and ignored the individual. This is slander against us. It is also a distortion of Marxism.

In upholding the socialist orientation and running socialist education well, the key lies in strengthening the party's leadership and building a qualified contingent of teachers. Teachers are engineers of the human soul. The state of young students' ideology, moral integrity, intellect and physique is determined to a large extent by the work of the vast numbers of teachers. The words and deeds of teachers have an important influence on students. Hence, it is important that we place strict requirements on and raise the quality of teachers. Comrade Mao Zedong once said that the educators must first be educated. One who teaches and molds the human soul must set an example for his students with his own exemplary deeds. For this reason, ideological education over teachers, particularly over young teachers, should be given great prominence.

The vast numbers of education workers must conscientiously study Marxist theories and the party's important principles and policies, continuously raise the level of their ideology, and plunge actively into the struggle against bourgeois liberalization. At the same time, they

must also deliberate soberly on the past and the future, sum up historical experience, and continue to deepen the education reform under the guidance of the four cardinal principles.

Footnote

1. Marx: "On the Feuerbach Program."

Ideological and Political Work in the Shenzhen Special Economic Zone

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[Text] Our 10-year experience in Shenzhen proves that setting up a special economic zone can accelerate economic development, improve people's lives, and help us stay on the socialist path as long as we have both the socialist spiritual civilization and socialist material civilization, and as long as we combine ideological and political work with reality.

1. The Task of Enforcing Ideological and Political Training in the Special Economic Zone Is a Special and Significant Task

Comrade Deng Xiaoping pointed out that we are setting up a special economic zone, not a special political zone. The special economic zone is where we carry out the economic policies especially designed by the state. That is the only difference between a special zone and a nonspecial zone. In the political sphere, there is neither a special zone nor a nonspecial zone. A special economic zone should be treated like the rest of the country; it needs to follow the party's fundamental line of "one center and two basic points." We are building a socialist material civilization as well as a socialist spiritual civilization. It is particularly important that we should continue to strengthen and improve ideological and political work in the special zone because our efforts can affect the outcome of the zone. Our work can mean success or failure for the zone.

First, we must look at the characteristics, status, and function of the special economic zone. Setting up a special economic zone is not just for the purpose of building a modernized city. We want to prove with our action that we can catch up with or even surpass capitalism in economic development. At the same time we will prove that we can avoid the vices that are prevalent in capitalist societies and create a higher spiritual civilization than the one in capitalist societies. We can prove that building socialism with Chinese characteristics is not just a theory but a reality. In order to reach this goal, we must strengthen the ideological and political work as we set up the special zone. Ideological and political work help implement the party's basic line and are a guarantee for the success of the zone.

Second, Shenzhen is more open to the outside than the rest of the country and has a progressive commodity economy. The openness and the development of the commodity economy have both positive and negative effects on the construction of spiritual civilization. First of all, the openness and the development elevate the level of our scientific culture and our ideological and moral propriety. Our minds are more liberated, and we accept more new ideas. These are the positive effects. We also feel the negative side, however. Accompanying openness are some bad elements from the West that tend to corrupt our minds. We cannot simply "drive the enemy out of our country." The development of a commodity economy has also resulted in "partiality toward money," illegality, and immoral behavior. Therefore, we must counteract the negative side and promote the positive side through strong and effective ideological and political work. We can stay on the socialist course and at the same time maintain an open and developed commodity economy.

Also, because the social environment in Shenzhen is so special, strengthening ideological and political training is our imminent duty. First, Shenzhen's border is with Hong Kong. It is the forward point that opens to the outside world. It is where two social systems meet and where Chinese and Western thought and culture mingle. It has frequent communication with the outside. There are many communication channels for the media, and the correct views of the party are frequently distorted by mistaken opinions. We must improve ideological and political work so that the party's line, principles, and policies can be thoroughly carried out. Second, there are many of the "three kinds of partially or wholly foreign-owned enterprises" in the Shenzhen Special Economic Zone. The many private enterprises and individual entrepreneurs make up a large proportion of the economy there. These enterprises represent different ownership relations and different interests. We need to follow state policy and ordinances and provide these businesses with guidance, so that they can play an important role. We need to provide the workers and employees of these enterprises with ideological and political education so that they know how to handle properly the different interests concerning individuals, enterprises, and the state. Education will also help them feel more responsible and enthusiastic about building modern socialism. Third, Shenzhen is a newly established city; its residents come from everywhere. They all have different ways of thinking, different behavior, and individual habits. Their cultural accomplishments, value systems, and social awareness are not the same. That is why we need to work on strengthening the construction of socialist spiritual civilization and improving ideological and political training. We provide guidance for people who have different levels of ideological and moral understanding. There should be new moral and ideological boundaries that are socialist but that would fit into the local situation of Shenzhen.

Pursuing ideological and political work in the special zone is an important and difficult task. Creating material

culture is as important as creating spiritual culture. We have to have economic development as well as ideological and political training. Each side is vital to the other, like the two wheels of a carriage or the two wings of a bird. If we ignore ideological and political training, we will not be able to accomplish the assignment of building spiritual civilization, hence there will not be material culture either. Only when we strengthen our ideological and political work can we guarantee that the special zone will stay on the socialist path and provide the zone with special spiritual energy.

II. We Focus on the Key Points and Promote Ideological and Political Training in the Special Zone

If we want to do a good job in the sphere of ideological and political work, we must pay attention to regional issues and focus on the ideological and political problems of the special zone. Once we understand and solve the problems, promoting ideological and political work in a special economic zone will be easy. After several years of practical work, we feel that it is important to focus on the following points.

1. We should uphold the two basic points and object to bourgeois liberalism. Upholding the four cardinal principles and implementing the reform and open policy are the two interdependent points. Whether we can achieve any success in the special zone depends on whether we can persevere and connect these two basic points together. If we separate the two points and make them antagonistic to each other, or if we confuse the boundary between the two ways of advocating the open and reform policy, we will adversely affect the special zone and may impair the general plan. For the last 10 years, the Shenzhen City CPC Committee has been teaching cadres and people not to look at the new situation with old ideas and old customs; nor should they deviate from the four cardinal principles when implementing the reform and open policy. They should be especially aware of bourgeois liberals, who would pretend to implement the reform and open policy but who are actually pushing for bourgeois liberalization. We have to make clear to everyone that our reform is a socialist reform, not a capitalist reform. We combine the two points organically and apply them in every job. If we are to uphold the two basic points and fight against bourgeois liberalization, the party must assume a stronger leading role in the propaganda and media field. This way, the correct party line and ideological theory will become the main theme in the media. Our experience tells us that the overflowing of bourgeois liberalization was related to the fact that the party's leadership over the media was weakened, or that the media were out of control. In 1987, when bourgeois-liberal thinking became prevalent, the city party committee made a quick decision to close down two newspapers that were too outspoken in their advocacy of bourgeois liberalization. The committee transferred the newspapers' employees to different jobs. The party committee also immediately convened a political and ideological work conference for the whole city. In the conference, the party emphasized that the guideline for

ideological and political work is the two basic points. At the conference the cadres and the masses were urged to learn from this incident, have a deeper understanding of the theory of the two basic points, and take more initiative in carrying out the policy. During the turmoil last year, Shenzhen generally remained stable. This fact shows us that when the two basic points remain united, we will have the upper hand in the struggle against bourgeois liberalization. We will hold the reins to ensure a healthy reform, opening, and a smooth development in the special zone.

2. We should take care of the relations between economic benefits and social benefits, and the two relations should be united as one. Political and ideological work has to be combined with economic activities, otherwise the work will not be as effective and invigorating. The commodity economy has developed rapidly during the last few years. Of course, economic benefits are important to the development of a planned commodity economy. But, while we emphasize economic benefits, we must not ignore social benefits. We should always insist that economic and social benefits are together as one. Through practice we have discovered the method of "education, legislation, and administration." We promote the unity of the two benefits through the media, and we establish a system to oversee and administer them. We educate the people who are in charge of the enterprises and demand that they properly handle the relations between the overall condition and individual situations. They need to have strong social responsibility and business ethics. They should properly implement government policies and decrees, and should resist and control any tendency to "look toward money only." For instance, the rise of cultural commodities is a natural phenomenon in the process of the development of a commodity economy in the special economic zone. Developing any kind of commodity has to include profit making; cultural commodities are no exception. But if we go after profits without good management and education, then the problem of overemphasizing economic benefits while ignoring social benefits will arise. This will damage the construction of a socialist spiritual civilization. We admit the logical existence of cultural commodities, but at the same time we must strengthen control of the cultural market. This way we can enjoy positive effects and prevent any negative influence. For the last few years we have provided support and help to the enterprises that produce healthy cultural commodities. Those who engage in the manufacturing and selling of "poisonous" cultural products were stopped by means of economic, administrative, and legislative sanctions. At the same time, we set up a team of overseers to enforce professional standards by means of "conventional law" and the responsibility system. The cultural market has been improved since we began to effectively administer the system.

3. We endorse positive education and install new socialist customs. The reason why we endorse positive education is that we believe the truth gives us power, and that the

masses are basically capable of understanding. Through positive education, people understand what should be encouraged, what should be objected to, and what should be pursued. We support actions that ought to be encouraged, and forbid anything objectionable. We mobilize people to take more initiative. For the last few years, we have insisted on using positive education as the key content for political and ideological training. First, we continue to educate party members and cadres about fundamental Marxist theory. They need to have a fundamental understanding of the party, and they need to study the policies and guidelines from the Third Plenary Session of the 11th CPC Central Committee. The party school should be our major base where we make plans, engage in various levels and styles of training, and educate party members and cadres. So far, we have trained more than 10,000 members and cadres. Since 1982, all party organizations at the grassroots level have held more than 2,000 training classes for party members, and more than 142,000 members have participated. Over 30,000 cadres took part in the formal theory training organized by lecturers from the city party committee. Through this work, we upgraded the level of theoretical understanding and of the political qualifications of the party members and cadres in the special zone. During the period of turmoil and after the counterrevolutionary riot subsided in Beijing, lots of poison and incitement came into Shenzhen from outside. But the majority of the 4,000 party organizations and 67,000 members from the Shenzhen special zone passed the test during this trying time and defended the stability of the special zone. Second, we reached out to the residents of Shenzhen and set up programs for building new socialist customs. In 1987, the city party committee pointed out that we should encourage and spread the spirit of the special zone: "Try to open up, be creative, be dedicated." The spirit of the special zone is the result of sophisticated ideological and political awareness that comes from upholding the four cardinal principles, practicing reform, and being open. This spirit is the noble spirit of total dedication to serving the people, of working hard, and of selflessness. This spirit also includes the valuable characteristics of our people who are brave, explorative, and practical. We also pinpoint children and youths as our educational target for learning the legal system, morals, and ideals. We reach out to the employees of the "three kinds of partially or wholly foreign-owned enterprises" and give them socialist education. We hold campaigns to promote the idea of "civilized citizens, civilized units, and civilized towns." These activities help create a new special zone mentality and new socialist customs.

4. We must get rid of corruption. Party and government organizations must be ethical and honest. As Shenzhen opens to the outside world and develops a commodity economy, corruption emerges. We must overcome this problem, otherwise it will harm the image of the party and the government, damage relations between the party and the people, and weaken people's confidence in the party and socialism. Ever since the Shenzhen Special

Economic Zone was set up, the city party committee has focused on the work of preventing and overcoming any decadent situation. All the cadres are required to have "an extremely keen political awareness, especially strict discipline, an excellent working style, and top efficiency." We taught these cadres over and over again about ethics and honesty. We set up "An Exhibition of Education on Ethics and Honesty," and filmed a TV documentary on maintaining an honest government. We drew up regulations for cadres in the special zone, making seven rules that help cadres working in party and government offices be honest and prevent corruption. We have established a system in which leading cadres go to the grassroots level to supervise the cadres there and make sure that they are law-abiding and honest. We have a solid system in which we can expose and punish corruption. We set up a supervisory department, a first in the country, a center for reporting economic crimes, and a special telephone line for calling the mayor. This system of "two public and one supervisory function" has achieved good results. We are showing the people that the party and the government are determined to fight corruption. The people will thus have more confidence and support the party and the government more. If this goes on, the relations between the party and the people will become closer and closer, and the party's view will be more appealing and influential.

III. We Should Find a Style of Ideological and Political Training That Will Work for the Special Zone

As we try to strengthen the ideological and political work in this era of openness, reform, and a commodity economy, we have the excellent working traditions of the party on our side, plus we can explore new routes and methods applicable to the new situation. After this, people will become more ideologically and politically aware, and our work will be more effective. Here are some points concerning this issue.

First, because the economic structure in Shenzhen is more complicated than in other parts of China, we must explore several different ways to proceed with ideological and political training. In Shenzhen, there are nationally owned enterprises, joint ventures with inland Chinese enterprises (some are joint-stock companies), and many "three kinds of partially or wholly foreign-owned enterprises." If we want to do well in the ideological and political field, we must accommodate these different enterprises. Our work has to fit into the reform and open policy, and it should be applicable to the construction of the two civilizations. After exploring, we decided to set up political and ideological work teams led by the party committee in medium-sized and large industries and in the inland joint enterprises. The team's work is carried out by a "separate duty" system or a "dual responsibility" system. No matter how the work is carried out, a party organization assumes the leading role and controls the ideological and political work. If it is the "separate duty" system, the major party leaders have to join the party committee, and the party secretary has to take part in all major decisionmaking in the enterprises. If the

enterprise chooses the "dual responsibility" system, it must set up the position of deputy secretary. If there is a board of trustees, the party secretary should go to all board meetings. Small enterprises should follow the same method and set up their ideological and political work system. As for the "three kinds of partially and wholly foreign-owned enterprises," the party organizations, unions, and Communist Youth League are still doing the job, but we have to think of foreign businessmen's viewpoints and customs. We set up the administrative office of industrial culture to carry out ideological and political work. The ideological and political work system at the grassroots level is more complicated. In order to have smooth relations and strong leadership, the party committee set up working committees at the enterprises and at all the work units posted in Shenzhen. This way, we have a variety of work systems from the lowest to the highest level. Every unit has a department responsible for ideological and political work and so far the results have been good.

Second, we need to have a responsibility system when we implement ideological and political training. In the process of building the two civilizations, enterprises cannot be tough on one side and soft on the other. We have to prevent enterprises from emphasizing only economic benefits but ignoring social benefits. We build both material and spiritual civilizations, and we develop economics and ideological and political training. Our method is called "double transmission, double investigation, and double evaluation." Part of the ideological and political work becomes a contractual quota or an index for evaluating cadres. In this way we establish a responsibility system for ideological and political work. For instance, the Guangzhou-Shenzhen Railway Company set up a contracted management responsibility system for "production and management with regard to party ethics, professional ethics, and ideological and political training." The city Mechanical and Electrical Supply Company has a contracted management responsibility system to combine "party ethics, professional ethics, and economic quotas." The Zhonghua Bicycle Company has succeeded in including dedication to the factory, obedience to the law, attitude toward work, and discipline on the job as criteria for administrative evaluation. This work method is beneficial to the simultaneous construction of the "two civilizations." This is valuable because it helps grassroots units become more conscientious and responsible in ideological and political work. This system relates ideological and political work to production and management. Ideological and political training is combined with entrepreneurial administration.

Third, we should improve the entrepreneurial culture so that ideological and political education can permeate it. Entrepreneurial culture became popular internationally in the 1980's. It is a management style that focuses on people. We imported the style and combined it with the conditions of the special zone. We changed some of the methods, gave this culture a new content, and created a

socialist entrepreneurial culture. The entrepreneurial culture of the special zone is based on the excellent tradition of the party's ideological and political work. Our new cultural style, emphasizing the important function of workers in an enterprise, is generated by combining ideological and political work with business administration. It is characterized in three aspects. Materially, it embodies perfected regulations, sophisticated technical equipment, sound employee insurance benefits, dynamic cultural activities, and good working conditions. Behaviorally, it demonstrates exemplary conduct of party members and advanced workers, professional ethics, integrity, and discipline, as well as flawless enterprise work style. Conceptually, it contains entrepreneurial missions conforming with socialist demands, industrial spirit, and group awareness. To build entrepreneurial culture, some enterprises in Shenzhen have made efforts in four tasks. First, cultivate entrepreneurial aspirations by carrying out the common goal of "realizing the four modernizations, vitalizing China," and by exercising the special zone spirit of "opening up, innovation, dedication." Second, engage in after-hours programs in political, cultural, and vocational education. Third, equally emphasize ideological indoctrination and material incentive programs to improve workers' ideological status and living conditions. Fourth, promote diversified cultural and recreational activities within each enterprise as a starting unit. Such practice in Shenzhen has proven that building entrepreneurial culture is beneficial to the unity and development of enterprises, and it is good for nurturing a new generation with the "four haves." Moreover, employees and foreign businessmen of the "three kinds of partially or wholly foreign-owned enterprises" find it easier to accept ideological and political training in the style of entrepreneurial culture. For instance, Kangjie Electronics Company, a Sino-foreign joint venture, has a slogan for its entrepreneurial culture: "Me for you, you for him, we for Kangjie, Kangjie for China." The slogan shows that the interests of individuals, enterprises, and the nation are intimately linked together, and it stimulates the spirit of belonging. The Huaqiang Electronics Company emphasizes the spirit of "unity, factuality, efficiency, and creativity." This spirit permeates the various sections of production, management, administration, service, and distribution. Employees take more initiative, and the enterprise is stable and continues to grow. In 1989 it was rewarded as "the enterprise with the best ideological and political training." We should consider the positive social effect that entrepreneurial culture has generated, and consider expanding the method in building various aspects of socialist culture, such as farm culture, school culture, street culture, and family culture. This may enliven the work of ideological and political education. Every segment of society can be reached. Everyone is affected and nurtured by a good spiritual ambiance and social environment.

IV. Ideological and Political Work Accelerates the Construction of the Special Zone

Comrade Mao Zedong once said: "A beautiful ideological and political flower will become a rich economic

fruit." Our experience proves that when we do our ideological and political work well, we provide spiritual motivation and a political warranty for the development of the special zone. The result is more openness to the outside and more economic construction.

In 1989, the gross value of industrial output in Shenzhen was more than 11.6 billion yuan, a 200-percent increase since it became a special zone. The zone has had a 9.3-percent growth rate per year, and its total exports in a year were more than \$2.1 billion, second only to Shanghai. Shenzhen now earns the second most foreign exchange in the nation. Its gross product is 9.3 billion yuan and the average per capita income is over 5,300 yuan.

Effective ideological and political work stimulates Shenzhen people's passion to build up the zone. There are many praiseworthy stories and many advanced and model workers. Since 1982, 5,000 comrades have been selected as outstanding party members and advanced workers; more than 60 people were model workers on the provincial level; six received May 1st Labor Medals, and two were selected as special model workers nationwide.

Effective ideological and political work can safeguard the political, social, and economic stability of the special economic zone. Because of this, construction has not stopped and the zone continues to open to the outside. During the turmoil last year, Shenzhen maintained its normal social and economic order despite strong domestic and international interference. A few enterprises had problems with production because of insufficient raw materials. Other than that, the several thousand enterprises continued to operate normally. Because Shenzhen was stable, 520 new foreign investment and industries were registered there. The government approved items for investment that were worth \$489.04 million, with an actual investment of \$458.09 million.

The achievement of ideological and political work in Shenzhen is only the first step. There are many weak and unsatisfactory areas. There is still an imbalance between building a spiritual culture and a material culture, and between economic development and ideological and political work. Our system for ideological and political training still needs to be improved. We need to have better team workers and a work style that will coordinate with the economic construction of the special zone. We still have pornography, gambling, drugs, prostitution, feudalism, and underground societies. This shows that the work of building spiritual civilization and improving ideological and political training are still cut out for us. How can we strengthen and improve ideological and political work while advocating reform, openness, and a commodity economy? This issue requires still deeper study. We shall work on this.

Geographical Conditions and Social Development—Commenting on the Theory Advocated by He Shang That Geographical Conditions Are Decisive

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[Text] The TV series *River Elegy* has been praised as "a miracle in the 30 years" of Chinese television history and has produced "a sensational impact without any parallel." Allegedly, this is mainly because it has thoroughly reflected on and rationally criticized the history and reality of the Chinese nation "from the forefront of the present-day realm of ideology," and has "manifested a new world outlook." This cannot be farther from the truth. One will easily discover from a careful examination of the explanatory notes of *River Elegy* that its principal arguments are based on historical fatalism, national nihilism, the theory that geographical conditions are decisive, the theory that culture is decisive, and the theory that Europe is the center, which have already been rejected by the overwhelming majority of genuine theorists. These "five theories" are nothing new. Rather, they represent an outmoded and backward social conception of history. In this article, we will attempt to analyze the so-called "rational charm" of *River Elegy* from the perspective of the relationship between social development and geographical environment.

I

A major theory that runs through *River Elegy* is that the civilization of mankind is divided into two major units, namely, the mainland civilization and the maritime civilization. This theory maintains that the rivalry between mainland civilization and maritime civilization and the law governing their historical development, that is, survival of the fittest, are determined entirely by their geographical conditions. According to *River Elegy*, "geographical conditions imposed a mechanism of isolation on the Chinese culture, which centered the Huang He basin" and created "an introverted and stability-seeking type of culture," and which is doomed to decline. On the other hand, the European maritime civilization, which arose around the Mediterranean, is destined to gain the upper hand at present and in the future because "it makes the most of its intrinsic vitality and cultural superiority to explore and expand without the slightest hesitation." The conclusion drawn by *River Elegy* is: The yellow civilization not only has remained stagnant over the past two millennia and more but "has now exhausted the vitality and creativity of the Chinese nation as a whole." What is the way out of this "decline"? "Only when the blue sea breeze finally turns into rain and once again moistens this arid stretch of yellow earth,... will the huge yellow plateau regain its vitality." In other words,

only the blue civilization—the capitalist civilization—can save China. These views expressed in *River Elegy* clearly point to attempts to bolster the political proposition of "total Westernization" by once again wielding the theory, long criticized by Marxism, that geographical conditions are decisive.

During the 18th and 19th centuries, a kind of social conception of history was in vogue in the West. Its basic viewpoint was that geographical conditions determine people's character, mentality, culture, and so on, and these in turn determine the nature of the social system and social changes. Hence, geographical conditions play a dominant and decisive role in social development. According to Montesquieu, the enlightened 18th-century French thinker, the intrepidity of nations in frigid regions prompts them to maintain their freedom, while the timidity of nations in tropical regions causes them to sink into a position of enslavement, and it is this climatic factor which decides that nations in frigid regions will dominate nations in tropical regions. Nineteenth-century British sociologist Backer further pointed out that, in addition to climate, soil, topography, and food also determine the course of historical development. He maintained that the beautiful natural environments of Greece and Britain had given impetus to the development of logical thinking and scientific knowledge among their people. The theory that geographical conditions are decisive had indeed played a positive role when capitalism was in the ascendant in fighting the feudal view that the will of god decides everything. Nonetheless, it was still a theory that tried to explain complicated social phenomena by means of external conditions, substituted the laws of society with the laws of nature, and over-exaggerated the influence of geographical conditions on mankind and social development. It regarded geographical conditions as the fundamental force that restricted the actions of mankind, denied the conscious dynamic role of mankind in changing and utilizing nature, and failed to see that the force of mankind was steadily growing and breaking down the restrictions imposed by geographical conditions. It was a static conception of history, an erroneous theory of idealism.

Hegel's view was different from that of Montesquieu's. Although he showed a strong idealist mentality in regarding "the geographical foundation of history" as the "arena of performance" for "absolute spirit," and although he inappropriately exaggerated the influence of the ocean on the history of mankind, he also realized that geographical conditions could not act directly on social development and must exert their influence through "social organizations." After its birth, Marxism made use of the basic tenets of dialectical materialism and historical materialism to observe geographical conditions side by side with the modes of social production, and made a scientific exposition of the relations between the two. Marxism maintains that geographical conditions, as indispensable natural foundations for social being and man's production activities, no doubt have a role to play in the social development of mankind and

the advancement of civilization. Marx unequivocally pointed out that "the primary condition for man's activities is none other than land."¹ However, Marxism also maintains that geographical conditions are not decisive and can only speed up or slow down social development. The fundamental factor that determines social development is the mode of social production. For the sake of its own survival and development, mankind has to transform nature, overcome unfavorable geographical conditions, and wield favorable conditions for its own development through labor, rather than passively rely on nature and geographical conditions. Meanwhile, man's ability to utilize and transform nature and change geographical conditions is determined by the development of social productive forces and the nature of the social system. Countries and nations with identical geographical conditions may differ vastly in their social development due to differences in their development of productive forces and social systems, while countries and nations with distinctly different geographical conditions have gone through roughly the same process of development from slave society to feudal society and then capitalist society because of restrictions imposed by the laws governing the development of productive forces.

Plekhanov, on the other hand, clearly defined geographical conditions and man's society as two major systems, maintaining that the scope, speed, complexity, and form of the effects of geographical conditions on civilization are variable and may change along with changes in productive forces.² Comrade Mao Zedong unequivocally emphasized that in social development, the decisive factor is productive forces rather than geographical conditions, that the latter are merely external factors. He pointed out, "Social development is due chiefly not to external causes but to internal causes. Countries with almost the same geographical and climatic conditions display great diversity and unevenness in their development... Changes in society are due chiefly to the development of the internal contradictions in society, that is, the contradiction between the productive forces and the relations of production, the contradiction between classes and the contradiction between the old and the new. It is the development of these contradictions that pushes society forward and gives the impetus for the supersession of the old society by the new."³

Although Marxism has long criticized the theory that geographical conditions are decisive, reactionary forces still frequently take this theory as the basis of their political proposition. The capitalist theories of colonial expansion and Europe as the center, Fascist racism, and so on, all take as their theoretical weapon the theory that geographical conditions are decisive. Their objective is to make the capitalist system and their aggression and expansion sound as though they are something natural, justified, and irresistible. Thus, it is not surprising that the authors of *River Elegy* have also picked up this hackneyed idealist conception of history in their attempts to preach the notion that Western capitalism is where China's future lies.

It should also be pointed out that they were just as pragmatic in their attitude toward some of the erroneous views of their favorite Western scholars. They distorted meanings as they plagiarized passages or quoted out of context. For instance, they looked to Hegel for help, not only copying Hegel's view on the classification of geographical conditions, but also quoting his rather biased remarks to negate the outstanding achievements of Chinese history and culture. Hegel said, "The great seas invite mankind to conquer and plunder; they also encourage mankind to go after profits and engage in commerce... These activities which overstep the limitations of land and cross the great seas are something lacking in the Asian countries, even though the latter have more spectacular political structures, and may also have the sea as their boundaries—as in the case of China."⁴ Based on this argument, *River Elegy* ridiculed the expeditions of Zheng He [6774-0735] to the Western oceans as "a political demonstration, pure and simple." While it is true that Hegel had indeed exaggerated the role of geographical conditions, he was decidedly not a proponent of the theory that geographical conditions are decisive. Quite to the contrary, this great German philosopher clearly realized that geographical conditions can only influence social development through social organizations. He also warned us: "We should neither overestimate nor underestimate the forces of nature."⁵ *River Elegy* ignored this idea of his, draped itself in his banner, and used isolated remarks of his as the basis of its argument. This shows the feebleness of its theoretical arguments.

The erroneous view expressed in *River Elegy* that the "Huang He civilization" had no vitality was taken directly from the book *A Study of History* by the British historian Arnold Toynbee. Toynbee regarded entities of cultural forms known as "civilization" as units of historical study. He divided the history of the world over the past six millennia into 26 so-called "civilizations." According to Toynbee, these "civilizations" "are mostly on the decline, and many of them have already completed the downhill road to extinction." The Western civilization of Christianity "has become the last seed for a new civilization."⁶ Toynbee's idealist system on the philosophy of history, which is highly subjective, is no longer influential in the West. Toynbee classified the Chinese civilization as one of the dying "civilizations" in *A Study of History*, but he abandoned this view in his later years. In his dialogue with the Japanese scholar Daisaku Ikeda in 1974, published under the title *Looking Into the 21st Century*, he no longer considered the Chinese civilization as a closed and declining civilization. He even predicted that "over the past few millennia, the Chinese have been more successful than any nation in the world in uniting the hundreds of millions of people politically and culturally... Such unification is precisely the absolute requirement of the present-day world. Working in cooperation, the Chinese and the East Asian nations will possibly play a dominant role in what is seen to be an indispensable and inevitable process of the unification of mankind."⁷ More than 10 years after

he made this remark, the authors of *River Elegy* still defended the views long discarded by him. The reason is quite obvious: The antiquated idea of Toynbee's that, with the exception of the Western civilization, which "shines with sacred splendor," all other civilizations in the world have gone downhill or are on the decline, is identical to the view spread by *River Elegy* that the Huang He civilization is doomed and must give way to the maritime civilization.

II

How should we interpret the role of geographical conditions in social development? Different theories have different answers to this question. Nonetheless, from the history of the development of human society, we can see that geographical conditions are a necessary and regular factor, but not the decisive factor, in social development.

Geographical conditions constitute the natural basis for man's existence as well as the material basis for his livelihood. Human society cannot develop outside given geographical conditions. As the modes of social production improved, the human race developed from food collectors into food producers. Instead of looking to nature for what it bestowed, people began to exact what they wanted from nature. The extent to which geographical conditions were utilized was greatly increased. Of course, in ancient society, social development was more dependent on natural geographical conditions because the means of production were simple and people's knowledge of their surrounding environments was superficial. The rich soils and mild climates along the Huang He, the Nile, the Tigris, the Euphrates, and the Indus Rivers were not only suitable to the growth and propagation of plants and animals, but were also suitable to the livelihood and habitation of mankind. These favorable conditions made them the hotbeds of ancient civilizations. However, the civilizations of China, Egypt, Mesopotamia, and India developed and thrived early fundamentally because these areas had much more advanced modes of production than their European counterparts. Even under adverse geographical conditions, human society would have broken down environmental constraints for its own development and needs. The Eurasian mainland has been an arid and hilly region sparsely covered with vegetation and separated by continuous stretches of deserts since time immemorial. Why was it that since ancient times people had overcome numerous geographical obstacles to establish communication and cultural links between East and West? Why was it that the famous Silk Road, which cut across high mountains and barren deserts on the Eurasian mainland, had stood the test of time over the past millennia despite adversities and had seen prosperity on more than one occasion, playing a tremendous role in world history? The fundamental reason was that continuous improvements in the modes of production had compelled mankind to seek development in broader realms. As the means of production improved, man's ability to understand nature also increased, and this would inevitably enable them to

break through the hitherto inhibiting geographical conditions and to utilize and change geographical conditions through various means. It has always been through efforts to satisfy its own needs and the needs of social development that mankind creates history. The nations on the Eurasian mainland and to its east and west conquered deserts, high mountains, and other obstacles in their ardent desire to establish links and exchanges in their endeavor to raise the level of their material production and satisfy their consumer needs. The nomads of this region, in particular, were the first to venture into the unknown, using animals as their means of transport. As ambassadors of East-West communications, they overcame numerous obstacles and established the bridges that linked the continents of Europe and Asia. Economic and cultural exchanges between the East and the West also promoted the development of their productive forces and the continuous improvement of their production relations. This historical fact fully demonstrates that geographical conditions cannot become the decisive factor of social development, and that improvements in the modes of production will help overcome the constraints of geographical conditions and consequently promote social development. This relationship between cause and effect is a very plain one.

Under normal circumstances (sudden and drastic changes like earthquakes, landslides, floods, and tidal waves notwithstanding), the effects of geographical conditions on social development are manifested through the state of social productive forces and relations of production. The way geographical conditions affect social development varies according to differences in the state of productive forces and production relations and in the ways that geographical conditions are utilized. The 2,000 years and more between the Qin and Han dynasties and the late Qing dynasty had seen several mass upsurges of emigration to the frontier regions. While these movements had greatly pushed forward the agricultural and economic development of the feudal society, it was unavoidable that the mode of production of the small-peasant economy also made it impossible for people to scientifically choose and rationally utilize the objective geographical conditions, still less understand the importance of protecting the ecological environment. Thus, under the pressure of population growth and the need to alleviate social contradictions, the geographical conditions in many places were destroyed by indiscriminate reclamation over long years and other man-made factors, and became more and more inhibiting for agricultural production. In northwestern China, in particular, a serious consequence of these moves is that land is turning into deserts. This kind of indiscriminate reclamation continued right up to the present-day society. This shows that the restrictive effect of geographical conditions on human society often finds expression through man's inappropriate choice of the mode of production. The principal contradiction still rests with mankind itself. Since mankind has, through its inappropriate choice of the mode of production, ruined the environment upon which it survives, it must try to

harmonize its relations with the environment by changing its mode of production. In the late 1970's, China decided to build protective forest belts in the northeast, north, and northwest. This mammoth project was, in fact, a "green revolution" to change and utilize nature on 42.4 percent of the Chinese territory. Within a short span of just over 10 years, afforestation in these areas achieved great successes. The historical phenomenon of deserts advancing and people retreating has given way to the basic pattern of deserts retreating and people advancing, and the "yellow dragon" is held in check by green walls built by mankind. This project has been hailed by the international community as "China's green wall" and "the world's greatest ecological project." It is playing an important role in changing the ecological environment of our country. This example again vividly shows that geographical conditions can be changed, and the decisive factors in these changes are the productive forces and relations of production. It is precisely due to the fact that the superiority of the socialist system has been fully brought into play, coupled with the development of productive forces and the advancement of science and technology, that we have been able to fundamentally change and readjust the mode of production, utilize the environment in a more scientific and rational manner, and bring about harmony between man and the environment.

III

River Elegy has discarded the basic viewpoints of dialectical materialism and historical materialism, ignored the history and present conditions of China and the developed Western countries, and attributed the causes of their differences in social system, economic form, and cultural temperament to the different characteristics and disparities of their geographical conditions. *River Elegy* says, "The Chinese are unlike the European nations, who live around the Mediterranean, or the Americans, who live between two great oceans. Such is the living space that fate has arranged for the Chinese people." What this means is that Europe and the United States, geographically situated in way that enables them to benefit from the oceans, have been able to create their enterprising "maritime civilization" and "industrial civilization." China, being enclosed by "natural barriers outside" and with its "people firmly tied to their land," ultimately moved down the road of "autocracy" and "isolation" and can create only a backward "mainland civilization" and "agricultural civilization."

This theory simply cannot hold water. The facts of history have made it clear that the rise and decline of different civilizations in the world cannot be explained away by their geographical conditions, whether they are facing oceans or are landlocked. How did the ancient Greek civilization, which is praised by *River Elegy* as the cradle of the "maritime civilization," come about? The fact is shipping was not well developed in the numerous city states in the southern, central, and northern parts of ancient Greece, and until the modern period of capitalism the shipping industry had not made any headway

in this region. European countries facing the ocean have not always been open and outgoing; they too had been in a state of inertia during the Middle Ages. Before modern times, the narrow Mediterranean was basically the "world empire" of the activities of the Europeans. After the Eastern expedition of the Crusades, the Europeans developed the ancient Greek and Roman cultures while studying and carrying forward the oriental civilizations (including China's "Huang He civilization"). It was not until the development of the capitalist mode of production, when overseas trade was first used as an excuse to engage in colonial activities, that the prosperity of modern times came about. As we all know, it was the entry of the Chinese compass into the West that gave impetus to the development of the shipping industry in Europe and resulted in the discovery of new continents. The import of China's papermaking and printing technologies in the West directly promoted the European Renaissance. To Europe, gunpowder and firearms invented by China not only were powerful weapons that crushed the feudal system, but were also effective tools in the course of capitalist expansion. The colonial expansion and commercial activities of capitalist countries have deep economic and social causes, the backing of scientific knowledge accumulated by mankind over the years, and corresponding material guarantees, not just because these countries border on oceans. If we say that countries facing oceans can create maritime civilizations, what about the southern and eastern shores of the Mediterranean and the great number of African and Asian nations? The fact that they border on the Mediterranean does not bring them the "blue maritime civilization" and "industrial civilization." Instead, they were colonized by countries of the "maritime civilization." Their resources were stolen and their cultures were trampled underfoot. The Arabs have always been good seafarers, but they do not have natural blood ties to capitalist civilization. Is nature also prejudiced?

Different civilizations in the world, including ancient cultures of the East and West, were all subject initially to geographical conditions. Economic and cultural exchanges between regions were difficult, and these civilizations were relatively isolated. As the productive forces developed and the arenas of man's activities expanded, the ties between different regions were gradually strengthened. Various cultures in the world all went through the process of moving from isolation to openness. In the course of gradually opening up, the East and the West became united and the world became one. The progress of world civilization is a tortuous process of carrying forward, synthesizing, and re-creating the different civilizations created by mankind. Each civilization has its own strong points. They continuously assimilate and supplement one another, and the advanced and backward are constantly changing. The emergence, development, and evolution of the capitalist system as a whole are the result of the interaction of the economy, politics, and culture of all mankind, the product of a

given stage of historical development. There has never been any eternal civilization that is determined by geographical conditions.

As an important component of world civilization, Chinese civilization has its unique road of development. Archaeological excavations have proven that the source of Chinese culture is diverse. The "Huang He civilization" is not always cut off from the ocean. "Chinese culture originates from the hot and humid southeast where the river meets the sea. There are many historical records testifying to this fact. According to records, fish and vegetables are staple foods; clothes are made of hemp and silk and are loose-cut; communities of habitation are called prefectures, which is a homonym of the word 'island'; houses have roofs and walls, a modification of caves; shells are used as money; and dragons and snakes are worshipped in many religions."⁸ This shows that the ancient Chinese civilization has close ties to rivers and oceans.

It is wrong from the start (to say) that the "Huang He civilization" had shown habits and characteristics of being withdrawn and conservative and had developed the deep-rooted habit of closing its doors to the outside world. As early as during the Neolithic Age, the Yangshao culture, otherwise known as the ancient painted-pottery culture, which represented the Chinese culture, had extensive influence in the Chinese territory. Its Western branch found its way through Gansu and Ningxia into Xinjiang. This shows that the Central Plains culture which originated from the middle reaches of the Huang He around 5,000 BC demonstrated expansionist trends in its early years. The bronze culture of the Shang dynasty also centered on the Central Plains. Through nomadic tribes on the grasslands to the north and northwest, it found its way into the Yenisei, Altai, and Turfan basins and came into contact with the cultures of Siberia, Europe, and Central Asia. During the Spring and Autumn Period and the period of Warring States, the Silk Road to the western regions took shape, enabling silk, metalware, and technologies like astronomy, calendars, and silk weaving developed on the Central Plains to find their way to the northwestern regions and further on to the West. In the states on the Central Plains, cultures with distinct characteristics were exposed to and mingled with outside cultures. In fact, "a hundred schools of thought contending at the same time" was the mode of the highly open culture of that time. During the Western Han dynasty, Zhang Qian (172B-7505) opened up the Silk Road while on a diplomatic mission to the western regions. This played an important role in history. Foreign exchanges during the Tang dynasty were unprecedentedly active. Changan became the economic and cultural center of the East at that time. China not only established links with the Arabian countries but had opened up sea and land routes to places as far as Africa. Postal routes between the East and the West were opened up during the Yuan dynasty. The Ming dynasty was known for its well-developed ocean transport and Zheng He's expeditions to the

western oceans. At that time, exchanges between Eastern and Western cultures thrived. While pushing outside, Chinese culture also positively assimilated the cream of outside cultures. The spread of the Buddhist culture into China from the first to the ninth and tenth centuries, the Western civilization brought in by Jesuit missionaries in the mid-17th century, the entry of various Western trends of thought after the Opium War, especially after the May 4th Movement, and the rapid dissemination of Marxism-Leninism in China, in particular, have played a positive role in expediting the development and innovation of China's traditional culture.

It can thus be seen that China's Huang He civilization which grew in a mainland environment had not affixed itself to the yellow earth and shut itself up behind the Great Wall. It is precisely because the Chinese culture can assimilate and accommodate useful foreign cultures that it can continuously enrich and develop itself. It has been proven by ample historical facts that, contrary to the theory that it is responsible for China's isolation, the Huang He civilization had, since its inception, demonstrated a tendency to proliferate and open up, and it built up an immense force for opening up and had not been hemmed in by its mainland environment. While actively assimilating foreign culture, it had also made tremendous contributions to world civilization. Even *River Elegy* cannot but admit that "the light of Chinese civilization" "has a lead of over a thousand years." It was only due to the intensification of social contradictions and the corruption of feudal rule after the middle of the Qing dynasty, particularly due to imperialist aggression, when the development of social productive forces were subject to serious restrictions, that China gradually closed its doors and grew more and more backward. This shows that China's isolation and backwardness are caused by social contradictions and the social system. Rather than looking for causes from social contradictions and the social system, *River Elegy* insists on the view that China's backwardness is due to geographical conditions, and makes the groundless accusation that "our ancestors hankered after the land and were unable to overstep the limitations of the land and march toward the seas." Their political objectives aside, this reasoning alone shows their poor knowledge of history and their theoretical ignorance.

Talking irresponsibly as it pleases, wantonly distorting and obliterating historical facts not in accord with its conclusion, and clumsily copying the viewpoints long discarded by others are the unique "rational charm" of *River Elegy*.

Footnotes

1. *Collected Works of Marx and Engels*, Volume I, p. 612.
2. See Wang Yinting [3769 5593 1656]: *New Philosophical Treatises of Plekhanov*.
3. *Selected Works of Mao Zedong*, Volume I, p. 277.

4. *The Philosophy of History*, pp. 134-135.

5. *Ibid.*, p. 123.

6. Arnold Toynbee: *My Views on History*, Translations of Modern Western History and Philosophy, Shanghai Translation Publishing House, 1987, p. 179.

7. Toynbee and Ikeda: *Looking Into the 21st Century*, International Culture Publishing House, 1985, p. 294.

8. Lu Simian [0712 1835 0517]: *History of the Early Qin Dynasty*, Shanghai Classics Publishing House, 1982, p. 30.

Commenting on Ideological 'Plurality' and Other Concepts

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[Article by Chun Yang (2504 7122) of Beijing University]

[Text] Editor's Note: The article "Commenting on Ideological 'Plurality' and Other Concepts" by Comrade Chun Yang, which was published in the No. 2, 1990, issue of GAOXIAO SHEHUI KEXUE [TERTIARY INSTITUTION SOCIAL SCIENCES] put forward some criticisms of the article "Basic Characteristics of the Evolution of Ideological Theories in the Contemporary World," which was published in the No. 11, 1989, issue of QIUSHI. Here we reprint his article (we have abbreviated it slightly). [end editor's note]

There has always existed between the international reactionary forces and the socialist countries a struggle between infiltration and anti-infiltration, subversion and antisubversion, and "peaceful evolution" and anti-"peaceful evolution." While they have put great efforts into propagating bourgeois ideologies in socialist countries, the reactionary forces have also elaborately concocted theories such as "de-ideologicalization," ideological "pluralism," and ideological "dilution," deliberately trying to confuse people's ideas, with the spearhead of their efforts being aimed directly at communist ideology. In response to this situation, are we to use Marxism to expose their hypocrisy and reveal their true features, or do we introduce and recommend these theories as the "basic trends and characteristics of the changes in ideological theory in the contemporary world" and declare that they have "great theoretical significance and practical significance" for us "in correctly grasping the situation of ideological change in our country?" This is where our differences of understanding with the article "Basic Characteristics of the Evolution of Ideological Theory in the Contemporary World" (Published in the No. 11, 1989, issue of QIUSHI, and below referred to as "Characteristics") lie. In accordance with the spirit of "exploration and contention," this article will put forward a few rough ideas as an initial analysis of the above-mentioned ideological theories.

Lenin's Judgment on the Two Types of Ideological System Is Still Correct Today

From its very beginning "Characteristics" points out that people often cite Lenin's statement in his 1902 article "What Is To Be Done?" that an ideological system is either a bourgeois ideological system or a socialist ideological system, and that there is no neutral "third type" of ideological system. It notes that "seen from the present, this judgment can no longer correctly reflect the real situation in the contemporary world." Is this really so?

When Lenin spoke of "either...or," his precondition was that "the working masses in the course of their movement, are unable to create an independent ideological system." The core of this is the stressing of the uncompromising struggle between the two types of ideological system, where an ideology must belong to one system or the other. This accords with both the history of ideological development and the present realities of ideological struggle in the world today.

Marx and Engels long ago revealed that ideological systems of epochal significance "all have the entire past development of the country as their base, and have the historical forms of class relations as well as their political, moral, philosophical and other results as their base."¹ In capitalist society workers generally lack the time, money, and other material conditions necessary to create an ideological system, and it is difficult for them to master the outstanding cultural achievements and ideological materials of mankind's history. Thus, scientific socialism did not emerge from the workers movement. Rather, it was created and instilled into the workers by proletarian thinkers and theoreticians who had a good understanding of the outstanding cultural achievements of mankind's history and of the experiences of the workers movement. It was thus that it became a proletarian ideological system.

As opposed to this, the bourgeois ideological system which was concocted by a bourgeois spirit that held the ruling position, was spread widely through the controlled means of spiritual production and the huge propaganda apparatus, deceiving and corrupting the masses in a hundred and one ways. This determines that the socialist ideological system is in a stifled position. Although the workers incline spontaneously toward socialism, the bourgeois ideological system, which is most popular, presents old things in new guises and in an all-pervasive way, forcing the workers and even small-scale peasants to accept it. This thus forms the intense struggle between the two ideological systems as they vie for the masses.

The struggle between the two ideological systems is also a struggle between two world views. Even to his latter years, Engels stressed that the struggle between the two world views is still continuing. Not only does it exist between the proletariat and the bourgeoisie, but also between conscious workers and those workers and peasants who are still subject to the old traditional controls, and between scientific socialists and the various other

types of socialists and democrats. If people are not subject to the controls of this ideological system and world view, they must be subject to that ideological system and world view. People must be subject to one of these systems, and there is no exception whatsoever.

Naturally, in a socialist country, where Marxism is the guiding ideology, the situation sees a major change. However, social consciousness often lags behind social existence. The vestiges of old ideology, which reflect the old systems, are unwilling to retreat easily. Class struggle will continue to exist within a certain scope for a long time and, under certain conditions, might be intensified. As far as the entire international situation is concerned, as long as the proletariat and the bourgeoisie coexist and as long as the socialist system and the capitalist system coexist, the struggle between the two ideological systems and the two world views will be unavoidable. "The origins of the capitalist ideological system go back much further than those of the socialist ideological system; it has gone through a more complete reworking and it has an incomparable superiority in terms of propagation tools." Thus, "any act of looking lightly or becoming divorced from the socialist ideological system means the strengthening of the bourgeois ideological system."² This conclusion by Lenin has been proven by innumerable facts over a long period. If one ignores the basic principles of Marxism-Leninism and the basic practice of socialism, denies that the contemporary world is a "stage for struggle" between the two types of ideology, and if one wants to take the establishment of "global, overall concepts" as "our basic goal in the study of ideological questions," who will thus benefit and where will it lead the people?

Lenin held that between the two types of ideological system, there did not exist any "intermediate thing" and that mankind had not created any "third type" of ideological system. How should this be understood? Is this now incorrect?

Social existence determines social consciousness. All ideological systems in class society have a class nature. The difference lies only in whether it is hidden or open, and whether it is recognized or denied. The conclusion that there is no "third type" of ideological system primarily has its origins in an analysis of the realities of capitalism. The basic contradictions of capitalist society determine that the proletariat is "an independent class which has its own interests and principles, and has its own world view. It is a class which has antithetical relations with all propertied classes. The others, such as small-scale industrialists, small-scale merchants, handicraft workers, and peasants, all belong to the "middle stratum."³ Although these others have their own ideologies, they cannot create independent ideological systems. Furthermore, because they possess greater or lesser amounts of the means of production, it is difficult for them to break through the private ownership concepts,

and generally they still belong to the bourgeois ideological system. Thus, corresponding to the two major antagonistic classes, there are, in the end, only two antagonistic ideological systems.

The conclusion that there is no "third type" of ideological system also has its origins in an analysis of the history of ideology. After mankind entered class society, the social consciousness of all ages in its many different types and forms always evolved in certain common forms.⁴ The bourgeois ideology played a progressive role when opposing feudalism. However, after the struggle of the proletariat against the bourgeoisie developed in intensity, the question was not whether this principle "was correct or not," but rather whether something was "beneficial or harmful" to capital. Thus, "scientific exploration" gave way to "the evil ideas of apologists." "All those things that it had previously opposed as being feudal or autocratic in form were reproduced with their own special forms." It even tried "to prove that those things it had criticized in the past were in fact rational."⁵ Thus, the bourgeois ideological system, like those of the past, is an ideological system of the exploiting class which engages in defending and creating public opinion for the long-term maintenance of the private ownership system and for allowing the exploitation and rule of the majority by a minority.

As the bourgeois ideological system is a continuation and development of all exploiting-class ideological systems in history, so the socialist ideological system is a continuation and development of the ideas of the exploited and oppressed classes and all positive ideas of mankind, including the most valuable achievements during the bourgeois period. It is basically antagonistic to those traditional views, including the bourgeois ideological system, that are rooted in traditional ownership relations, and it is a new ideological system that is higher than them. In this sense, mankind has not created a "third type" of ideological system.

The revolutionary teachers all grasped the basic contradiction and engaged in class analysis of ideology, beginning with Marx's "two types of world view" (the ideologies of the two major classes) to Lenin's "two types of national culture" (the two types of ideological system), and then to Mao Zedong's conclusion that, in modern times, "there are basically only two types of world view." This tells us that all the various forms and bizarre and strange types of ideas, concepts, and schools, are but specific evolutionary changes of two ideological systems and two world views. Even those that drift in between the two, those "mixtures" which seem to be both at the same time, will finally incline toward one pole or the other and finally attach themselves to it. This also tells us that, with respect to any ideological tide in the ideological sphere, we simply cannot see it as a label or a banner. Rather, we must carry out deep investigation into its theoretical nature. Thus, in assessing the class nature of the various types of people in the ideological sphere, we

cannot simply look at their family background, education, and individual position. Rather, we have to proceed as follows: As their ideologies cannot transcend the limits determined by the material and livelihood conditions of their particular class, "they are consequently driven theoretically to the same problems and solutions to which material interests and social position drive them practically. This is, in general, the relationship between the political and literary representatives of a class and the class they represent."⁶

It is easy to see that firmly adhering, like the revolutionary teachers, to a class-nature, historical, and concrete analysis of ideological questions allows us to see through the image and grasp the essence, to grasp the complex changes in ideology in the modern world and their development trends, to consciously maintain and safeguard the socialist ideological system and communist world view, to resist and criticize the bourgeois ideological system and the bourgeois world view, and to guard against the various rightist and "leftist" tendencies. Denying the correctness of the conclusion on the two types of ideological system just because the ideologies in the current world are "quite complex" and thus not engaging in class analysis and not stressing ideological struggle can only weaken the socialist ideological system and strengthen the influence of bourgeois ideology.

"De-ideologicalization" Is an Antiscientific, Sham Theory

A major phenomenon in the contemporary bourgeois ideological sphere is the advocacy of "de-ideologicalization".

In the foreword to *Das Kapital* Marx said, "The development of socioeconomic forms is a natural historical process. Regardless of how detached an individual is from these various realities on the subjective level, in the social sense, all people are products of these relations."⁷ In the same way, regardless of how "detached" individuals think they might be from social ideology, which reflects socioeconomic forms and sociopolitical relations, they are always subject to the restrictions and controls of socioeconomic forms and sociopolitical relations. So-called "de-ideologicalization" is completely untenable.

Why then do they encourage these theories? The "de-ideologicalization" theory was put forward by Aron, Bell, and Shils. It had its origins in the theory of technocratic rule of society and the theory of "convergence," and is a component part of these. The scientific and technological revolution that began in the middle of the 20th century caused the bourgeoisie to mistakenly believe that it would be possible to eliminate the chronic maladies of capitalism and allow it to develop simply through reliance on technology. Thus, in the 1950's and 1960's the "theory of technocratic rule of society" was formed. This theory, was fully elaborated in the works of

Aron, Brzezinski, Bell, Kahn, and others. They proceeded from a vulgar theory of technological supremacy, made science and technology absolute, and held that all problems in the world should be resolved through science and technology, and not be subject to the ideologies representing class and group interests. This led to the concept of "de-ideologicalization". They denounced the class consciousness and the exploration of socialism which was growing among workers and young people in the West in the 1960's as an "ideological craze" and encouraged people to abandon it. This thus revealed their reactionary nature.

The bourgeoisie proceeded from the methodology of technological determinism and concocted the theory of "convergence." "Convergence" was originally a biological term. In 1960 the U.S. sociologist P. Sorokin, in his article "The Convergence of the United States and the Soviet Union in a Mixed Social Form," and in 1961 the Dutch economist Tinbergen, in his article "Do the Communist and Free Economies Show a Converging Pattern?", both used the term "convergence" to explain that the United States and the Soviet Union and the capitalist and the socialist economies were permeating each other, and proposed that the two types of different social system were "converging." Bell and Toffler of the United States also put forward and expounded on the theory of "convergence" from different angles. In his book *The End of Ideology*, Bell espoused that "the age of ideology has ended." They all glossed over the essential differences and acute struggle between the two types of social system and two types of ideology, and the spearhead of their arguments was aimed at Marxism.

A prominent characteristic of "de-ideologicalization" is that it places "science" and ideology against each other, and holds that all ideology emerges from class "private interests" and distorts reality. Thus ideology cannot have a scientific nature and people should free themselves from the fetters of ideology. Bell asserts that ideology is "ideas turned into social levers." The use of these levers is intended to manipulate public opinion in the required direction. That is to say, ideology is unconnected with the truth or falsity of its principles. Its aim is to defend the interests of the forces engaged in struggle. This "brilliant idea" is indeed absolutely true as far as the U.S. bourgeoisie, which was the first to create pragmatism and which has continually practiced it, is concerned. In the view of the pragmatists, things that are "efficient" and are "able to satisfy my needs" are truth. That which affects my interests must be refuted regardless of how rational it is. In the disturbances in our country last year, did not the West "manipulate public opinion in the required direction" and broadcast much groundless "news" and baseless "information," by which it sought "benefits" regardless of truth or falsity?

However, with respect to socialist ideology and to Marxism, Bell's words are purely slanderous. Marxism both represents the interests of the proletariat and is a tight and complete theoretical system. The reason its revolutionary nature and scientific nature have been

unified at a high level is that it represents the proletariat in the advanced productive forces and in the relations of production. Its class interests are consistent with the interests of the vast majority of people and with the orientation of social development. The proletariat, unlike the exploiters, is not restricted by class biases and is not blinded by trivial interests as are the small-scale private owners. It can thus truly comprehend the world and bravely seek the truth. After the proletariat wrests political power, it persists in the goal of struggle to eliminate class and realize communism where there are no states and no political parties. It is unlike the exploiting rulers in the past who developed and expanded their own interests, became a new, special class and sought to permanently consolidate the rule of the minority, which caused them to move toward conservatism and absolutism. Marxism, as a continually developing science, is nothing like the ideological systems that occupied the ruling positions in the past. Those in the past became ossified "official ideologies" and became "defensive theories" aimed solely at safeguarding the rule and immediate interests of a minority. The advanced class and advanced ideologies are sufficient to show that the revolutionary nature and scientific nature of Marxism are joined and inseparable.

Setting "science" and ideology in antagonistic positions is also a distortion of the history of the development of mankind's ideology. In class society, all social cognition and social theories are related, either covertly or overtly, directly or indirectly, with a certain class consciousness. The claim for so-called non-class "social knowledge" with no ideological nature is nothing more than deceptive trickery. Marxism holds that ideology and especially social theories can be scientific or nonscientific, correct or incorrect. Although this difference is related to the different classes, it is still necessary to engage in historical analysis even of the exploiting classes. The materialist view of history understands the "historical inevitability" and "historical aptness" of the exploiting class and recognizes that "in a certain limited historical period, they are a lever of social development."⁸ For example, when the interests of the bourgeoisie were quite closely related to the common interests of the other nonruling classes, their ideologists and theoreticians could, within a certain scope, carry out quite objective exploration and thus they left a large volume of works and ideological data which are of value in understanding. Thus, in today's bourgeois ideology, apart from reactionary contents, there are also aspects which soberly analyze capitalist society and which discover and criticize problems. Not all the ideas can be regarded as "class bias." If we assert that all ideology is without a scientific nature, is that not the same as saying that all the ideas of social theory put forward over the last several thousand years, including those of the bourgeoisie itself, are biased and erroneous?

Because of the many contradictions and innumerable fractures of "de-ideologicalization" and because at the same time as it attacked Marxism it was also harming

itself, the bourgeoisie has replaced it with "re-ideologicalization." Bell later explained that his "end of ideology" was not directed at all ideology and, rather, he wanted to "negate" socialist consciousness and "end" Marxism. With respect to bourgeois ideology, he wanted to repair that which had lost its appeal, "revitalize" it, and make it more "effective," so that it could contend with the socialist ideological system.

The strange thing is, now that the Western bourgeoisie are stressing "re-ideologicalization" in recent years, some people have linked "de-ideologicalization" with the "theory of technocratic rule of society" and the "theory of convergence" and transported it into socialist countries, used the ideas of "technocracy" and "rule by the elite" to oppose leadership by the Communist Party, incited discord between the intellectuals and the party and state, and advertised that the two types of system are "gradually converging" and moving toward "global integration," that "the 21st century will be an age in which ideology is transcended," and so on. Some people, under the banner of "opposing ideology" want to "completely eliminate" the people's faith in Marxism, their trust in socialism, and their communist ideals. On the other hand, they say that decadent ideologies and reactionary theories of the Western bourgeoisie are not ideological in nature and are "social knowledge" and they freely espouse them everywhere. It is easy to see that their "nonideologicalization" is, in fact, a desire to abolish socialist ideology, which has a communist world view as its center, and to engage in bourgeois liberalization.

The Aim of Ideological "Pluralism" Is To Abolish the Guidance of Marxism

The Englishman Laski first drew the philosophical category of "pluralism" into the political science realm in 1915, and today the terms "political pluralism," "economic pluralism," and "ideological pluralism" are widespread. They have become the basic slogans of Western anticommunist and antisocialist forces in trying to get the socialist system to evolve toward plural political and economic systems. In such an atmosphere, some people who are engaged in bourgeois liberalization in the country have responded to this and are also encouraging pluralism, including "ideological pluralism." "Characteristics" points out at the beginning that in the contemporary world "a situation of diverse ideologies that coexist and interlock has appeared." When talking about the question of the "trend of ideological pluralism," it says that ideological "pluralism" has two aspects. The first is the "pluralism" of Marxism itself. It holds that in the development of Marxism, "whether or not to recognize different schools" is "a question we have not faced squarely for a long time." It goes on, "in fact, there is no single correct, orthodox Marxism." What view should we take on this question?

Marxism must develop. This is not in dispute. However, what is development and how is development to be carried out? It might be best to look back at the ideas and historical experiences of Marx and Engels themselves. At

the end of the 1870's, some self-proclaimed Marxists in France in the struggle against the "possibility" faction [ke neng pai 0668 3174 3175], engaged in factionalism and doctrinairism. When Marx spoke of this, he mockingly said, "I only know that I am not a 'Marxist.'" At that time, the leaders of the German party had compromised with the Lassalle faction, Duhring, and a "gang of immature university students and over-clever doctors." Marx incisively pointed out that this had an "atmosphere of decay." He revealed that some people wanted to change socialism into something "higher and more ideal" by "using the modern mythology of the goddess of justice, freedom, equality, and universal love, to replace its material base."⁹ It is easy to see that regardless of whether we speak of distortion from the "left" or replacement from the right, neither was development of Marxism. In the early 1890's, Engels saw in the newspapers of the German "youth faction" a "distorted, completely erroneous 'Marxism,'" and criticized these people for "clearly not understanding the world view which they claim to be safeguarding." He opposed "interpreting as absolute some principles that Marx believed played a role only under certain conditions." He opposed "making individual theories of Marx absolute." He opposed "filling in things which were not in the original works."¹⁰ It can thus be seen that the distortion of, misinterpretation of, and addition to Marxism is certainly not developing Marxism.

Lenin clearly pointed out that both Marxists and revisionists want to "develop" Marxism, but "in different directions." "One school wants to continue being thoroughgoing Marxists, developing the basic principles of Marxism in accordance with the changing conditions and the local characteristics of the various countries, and to further research Marx's theories of dialectical materialism and political economy. The other school wants to overthrow quite important aspects of Marx's theories."¹¹ Lenin engaged in deep-going unmasking and criticism of the revisionists who claimed that they were "developing," but were actually aiming at "overthrowing" Marxism, and those opportunists who tried to use Kantism and Machism to "supplement" Marxism, those who obscured the "revolutionary spirit" of Marx's theories, and those who placed in prime position and eulogized that which the bourgeoisie would accept. The Russian Communist Party members represented by Lenin, the Chinese Communist Party members represented by Mao Zedong, and the Communist Party members of other countries persisted in the basic principles of Marxism, utilized its stand, outlook, and methodology, and creatively resolved real problems and used new experiences and conclusions to further enrich and develop Marxism.

However, of the many Marxist schools enumerated in "Characteristics," some claim that Marx's theory of surplus value, the idea of class and class struggle and the principles of the state and revolution in the materialist view of history, the "two inevitabilities" and the historical mission of the proletariat in scientific socialism, the

basic principles of the political party of the proletariat and the dictatorship of the proletariat, and other basic characteristics of socialism, were either "outdated" or "ineffective." Some use humanism, existentialism, positivism, and Freudism to supplement Marxism, and some want to use the market economy, parliamentary rule, and pluralist ideologies advocated by the bourgeois and socialist parties to "renew" socialism. Sweepingly saying that they are all "Marxist, with essentially the same nature, but with their own characteristics" cannot really be said to be correct. This is because such Marxism is already "fractured." They have taken some of the principles and a few of the parts of the system of Marxism and cobbled them together with theories that are diametrically opposite. This is a most cunning method of stealthily turning Marxism into "completely distorted Marxism."

As for the "African socialism" cited, this is an amalgam of various foreign ideologies and African national cultural traditions, and is divided into many factions. Among these, there are those who believe that Marxism is basically unsuited to Africa. It is even more difficult to understand how these are, uncritically, said to all be different schools of Marxism. It needs to be asked: Do they truly adhere to the guidance of Marxism? Do they really adhere to the Marxist line? Do they really adhere to scientific socialism? We need to look at the oral and written answers they provide as well as observe their revolutionary practice and actual actions. Simplistic distinguishing of schools and division of camps, and giving all these the name of "Marxism" cannot be considered scientific.

Furthermore, linking "plural elements" and Marxism together is theoretically untenable. Philosophically speaking, an element has an intrinsic nature and intrinsic quality. How can Marxism be said to have "plural elements"? Does Marxism have different, diverse natures? Can a fusion of many different essences be called Marxism? If Marxism is indeed already "pluralist," how can the various schools be said to be "essentially the same" and "basically identical"? Being "plural" or diverse in nature is equivalent to having no essence. The claim of the "pluralism" of Marxism obscures the qualitative determination of Marxism itself and also negates the essential differences between Marxism and other ideologies. When Marx and Engels wrote the *Communist Manifesto*, they did not consider the numerous schools of self-proclaimed socialism of that time to be "essentially the same" or "basically identical." Rather, on the basis of these schools' class content and actual role, they divided them into feudal, bourgeois, petit bourgeois, utopian socialist, or a type of socialism formed by a mixture of these various types. They all differed basically from communism, that is, from scientific socialism. Lenin stressed that the application of Marxist principles in England was different from that in France; in France it differed from that in Germany; and in Germany it differed from how they were applied in Russia. However, he pointed out, "There

is only one strictly proletarian world view, and that is Marxism."¹² He did not hold that because the "historical conditions" and "social environments" of various countries differed, different sorts of Marxism would appear.

The diversity of people's interpretation and application of Marxism is certainly not the same as saying that Marxism itself is plural in nature. This is just the same as the diversity of people's understanding of objective things does not mean that there is a plurality of objective truth. Is there really no "single correct and orthodox Marxism"? Lenin said that Marxism is "the only correct revolutionary theory" and called *Das Kapital* an "orthodox Marxist work."¹³ Who can deny this? In the application and development of Marxism, of course, who is "correct" and who is "orthodox" is not determined by what people themselves claim. Rather, there are objective standards and yardsticks for testing this. Asserting that a "correct," "orthodox" Marxism "does not exist" is no different from negating objective truth, negating Marxism, and sinking into the relativism where "this has right and wrong and that has right and wrong." This is the inevitable direction and final destination of the claims of the "plurality" of Marxism and the "plurality" of the basic truths of its epistemology.

Another aspect of ideological "pluralism" is that "the various ideologies of different natures should coexist as equals." Through dialogue, political alliance and cooperation will be realized, and jointly they will engage in socialist transformation. "Within the party, different ideological stands among members should be allowed, provided that they endorse the party's program."

The author of "Characteristics" proposes that various ideologies with diverse natures "should coexist as equals." However, is this possible or not? On the basis of their own interests, different classes transform society in accordance with their own ideologies and world views. If some want to persist in socialism and others want to revive capitalism, what is to be done? It often happens that, under certain conditions, various compromises and alliances are reached between different classes and groups. However, dialogue between antagonistic classes cannot eliminate the antagonism between them, and the struggle is manifested not only on the economic, political, and military levels, but also in the ideological sphere. The result of the struggle is that the ideology of the ruling class in every age occupies the ruling position. In this way, even if ideologies of different natures "coexist," there is no way we can speak of them being "equal." The religious courts in the Middle Ages in Europe condemned atheists to death. The feudal emperors of China executed large numbers of the family members of the peasant rebel leaders who advocated "egalitarianism and equal division of wealth." The "McCarran Act" and the "Meng-te [5536 3676] Law" [Communist Control Act] in the United States stipulated that members of communist parties could not hold positions in trade unions and were not permitted to work

in defense enterprises. No ruling class gives the ideologies of antagonistic classes an equal position, much less allows it to develop freely.

Should "different ideological stands" be allowed within the party, as long as members "endorse the party program"? All political parties and party programs have definite class ideologies. The Communist Party openly declares that it is a communist political party and consistently stresses ideological construction. Within the party, members can put forward different ideas and can also reserve their ideas. However, they must adhere to the guidance of Marxism and adhere to the principle of democratic centralism. Positive and negative experiences have shown that if there is no ideological unity in the party, there can be no uniformity in action. If party members just endorse the party program without having a communist consciousness, it will be difficult for them to truly understand and consciously implement the stipulations of the party program. If the Communist Party and other political parties have only organizational "unity" but no ideological unity, there will be apparent harmony, but actual discord. As soon as there is change, those people "with different ideologies" will change the party's program in accordance with their own "stands" and basically change the party. In history, the Second International was bankrupted and destroyed in this way. The lessons of history are worthy of our deep reflection. The result of so-called ideological "pluralism" within the party will inevitably be that the Communist Party will be turned into a socialist democratic party, and the advanced organ of the proletariat will disintegrate.

To sum up, the theory of ideological "pluralism" aims, under the name of pluralism, at mixing Marxism together with non-Marxist and anti-Marxist ideologies. Also, under the pretext of "equality," it claims "that no ideology, including Marxism, should be officially stipulated to be the ruling ideology." It is extremely clear that this involves the negation of Marxism and the abolition of the ruling position of Marxism in the socialist state and in the Communist Party. Under this influence, over the last few years, Western bourgeois fallacies and reactionary theories have "flowed East," and a "completely distorted Marxism" has become popular and the new tide. Furthermore, Marxism-Leninism-Mao Zedong Thought has been despised, disparaged, and attacked, while theoretical education, theoretical study, and theoretical articles have been considered ossified and "false, pretentious, and empty." This has produced serious consequences, whereby right and wrong have been turned upside down. We need to make major efforts to basically correct this situation.

Of course, we are not denying that schools of thought outside Marxism contain truthful views. Marxism needs to continue to draw on all positive results in world ideology and culture so as to continue developing. However, generally, as an ideological system and scientific world view and methodology of the advanced class, Marxism holds a position that cannot be contested by the ideologies and schools of thought of other classes.

Thus, it is not only "one school" of "the hundred schools of thought," but also the theoretical base that should continue to guide our ideology. It has been the party's consistent policy that, under the guidance of Marxism, a hundred flowers should bloom and a hundred schools of thought contend, and there should be debate between different ideas and different schools. However, this is completely different from ideological "pluralism" and we cannot allow a fish eye to be passed off as a pearl. Marxism has not concluded truth and it is not possible to "conclude" truth. Rather, it gives a great epistemological tool to mankind and particularly to the working class. By adhering to the road it opens, we can move continually toward truth, progress, and brightness. As soon as we deviate from it, it is likely that we will make errors, see reverses, and move away from our goal. Looking both at history and the current situation, can we not say that this is so?

The Theory of Ideological "Dilution" Cannot Cover Up the Intensification of Ideological Struggle

Is ideology being "diluted" in the political life of the contemporary world? This is certainly a major theoretical and practical question. The final part of "Characteristics" begins by talking about "diluted ideology" in current French society and maintains that this characteristic "has a representative nature throughout the world and reflects an inevitable trend of ideological dilution consequent upon the reduction of the factors of political struggle in current international relations." It holds that for the parties of socialist countries "the need to readjust ideological strategic principles is becoming increasingly pressing."

In looking at whether "dilution" of ideology is correct or not, let us first look at the facts. Facts are superior to eloquence.

At present, the international situation is moving from tightness to detente and from opposition to dialogue. This is a good thing. However, detente is not the same as stability, and even less can it be said that there is no struggle. The antagonism between different social systems and different ideologies still exists. The international reactionary forces have not given up their basic stand of hostility and wanting to overthrow the socialist system. They have alternately used attacks by military weapons and the antirevolutionary "peaceful evolution." After the first method failed, they placed stress on the second method. After the war, the U.S. Truman administration implemented the policy of "containment" first put forward by Kennan. Its point of departure was: "Between the communist and democratic philosophies, there exists a basic and possibly permanent contradiction." It claimed that it wanted to "contain the further expansion of Soviet power" and "sow the seeds of destruction among the Soviets." After the defeat of their war of invasion against Korea, in 1953 U.S. Secretary of State Dulles said that he wanted the policy of "liberation" to replace the policy of "containment." He

emphasized political, ideological, and cultural infiltration and, "through spiritual pressure and the pressure of propaganda," promoted the liberalizing of socialist countries. He placed his hopes in the third and fourth generation of Communist Party leaders.

Over the last 30 years, the international bourgeoisie has consistently pushed this policy of "liberalization," that is, "peaceful evolution," put forward by Dulles. On the one hand, using the pretext of "detente," they have wanted the socialist countries to engage in "ideological disarmament" so that there can be "peaceful coexistence" in the ideological sphere, and so that they can use the opportunity of cultural exchanges to send people and to forward materials by which to covertly exert influence. They also accepted foreign students to study in their countries as a "strategic investment," saying that when students educated in Western ideology and culture returned to their own countries, "their force will greatly exceed that of tens of thousands of troops." On the other hand, relying on modern electronic communications technology and the "Voice of America" and "Radio Free Europe," they engaged in "ideological warfare," "psychological warfare," and "propaganda warfare" against socialist countries. They also engaged in cultural exports and ideological infiltration of Third World countries, which was decried as "cultural imperialism." In the 1970's, tens of thousands of people were gathered together in 15 countries and wrote about 400 long anti-Marxist articles and compiled a *Comparative Encyclopaedia* comprising tens of volumes. This comprised an unprecedentedly centralized attack on Marxism.

In recent years, they have held that the economic problems and mistakes in reform which have occurred in socialist countries have accelerated the "historical opportunity" for "peaceful evolution." To this end, on the one hand they have engaged in great attacks on socialism and spread the idea that socialism has been defeated. On the other hand, they have used all sorts of means to accelerate the pace of "peaceful evolution" and infiltration.

With such things occurring, can we really say that there has been a "weakening" of political struggle or a "dilution" of the ideological hue in contemporary international relations? Or is it the case that, although military struggle has relaxed somewhat, political struggle has intensified and ideological struggle has become more acute and complex? We advocate the peaceful coexistence of countries with different social systems, but they want to use detente to promote the "peaceful evolution" of socialist countries. We want to improve and develop the socialist system through reform, while they want to have socialism "peacefully evolve" into capitalism. We hold that differences in social systems, ideologies, and other aspects should not fetter the development of friendly relations and economic and cultural interflow between different countries. However, they use all opportunities to peddle bourgeois ideology in socialist countries and to engage in subversive activities. In response to the "4 June" incident, which was purely

China's internal affair, they fanned the flames beforehand and imposed economic sanctions afterwards. Even the U.S. magazine *ROLLING STONE* carried an article criticizing U.S. journalists for "subjectively seeking to force American values on the people of China." The trees want to be still, but the winds continue to blow. Ignoring class struggle in the international sphere and advocating the "dilution" of ideology can only cover up the intensification of political struggle and ideological and cultural struggle. However, like trying to use a paper bag to cover up a fire, this covering up is in vain, and the attempts to cover it up will just make it more conspicuous.

In an attempt to prove the "trend toward dilution," "Characteristics" cites the interests of world peace (primarily in preventing the threat of nuclear war), economic development interests, environmental protection interests, and so on. It holds that these are "global interests," "universal human interests," and are "non-ideological in nature."

Peace and development are the two major topics in today's world. However, neither is unrelated to class interests, state interests, and the issues of ideology and values. If we take the prevention of war, and especially of nuclear war, as an example, a U.S. scholar holds, "At the very time when we most need some basic agreement concerning values for the nuclear age, we find radical disagreement not only between the various nations, but also among the political leaders, psychologists, philosophers, and theologians of the Western world... This concerns the values themselves to which such a humane world might be committed."¹⁴ The leaders of some countries have put forward a plan to scrap all nuclear weapons in the world by the year 2000, while the leaders of other countries believe this to be a Utopian dream. As for the establishment of a world without war, even if we do not speak about the reasons people engage in war or how the question of the conditions to eliminate war have been debated for thousands of years, and do not talk about how local wars and conventional war even today have not been stilled, and just talk about how, after the meeting of the U.S. and Soviet leaders in Malta in December last year, the United States invaded Panama claiming that it was "safeguarding" the democratic process, can we not say that local war and conventional war are seen to be "a continuation of politics in another form" and that this has a clear ideological hue? We want peace and do not want war. However, talking about eliminating war without eliminating classes is just empty talk divorced from the real world.

In today's world, there are indeed some problems that are of universal concern and that require common efforts to resolve. It is not only necessary but also possible for countries with different social systems, under certain conditions, to reach accords and agreements on various problems. However, this involves them coldly considering the problems from their own class interests and state interests and does not mean that there exist non-political, nonideological "interests of all mankind." The

bourgeoisie always poses as the representative of "mankind's interests." In 1789, the French bourgeois revolution declared that the liberation of the bourgeoisie was the liberation of all mankind. However, the aristocracy and the clergy might well not have agreed. The American Thomas Jefferson also said, "Our actions are not only for ourselves, but also for all mankind." At that time, the Negro slaves in the United States would not have felt an empathy with his comments. Later, the monopoly capitalist class, in order to expand its aggression, propagated a "universalism" that ignored national culture and even renounced national sovereignty. Now, in order to oppose socialism, they are again trying to create, through "re-ideologicalization," a "new" ideology in line with "the interests of all of mankind." The ideological tide of so-called "globalism" is this sort of rubbish.

Marxism holds that, of the various "interests" and various ideologies in class society, there is none which does not, to a greater or lesser degree, have a class nature. Nonclass interests and nonclass consciousness are deceitful ideas of the bourgeoisie. The so-called "common interests" of mankind can appear only when classes have been abolished and the world sees great harmony. Marx and Engels long ago criticized doctrines that claimed to "represent the essential interests of the people, that is, the interests of people generally." They noted that the people mentioned, who do not come under any class, "do not exist in the world and exist only in the misty space of philosophical fantasy."¹³ Engels, at an early stage, put forward the formulation that communism "is not only an undertaking of the workers, but an undertaking of all mankind." Later, he clearly stated that, because the bourgeoisie did not feel any need for liberation and were putting all their efforts into opposing self-liberation by the working class, the working class should, by itself, prepare for and realize the social revolution. He sharply criticized those people who "from an impartial 'very high viewpoint' preach to the workers of a socialism which overrides the interests of the working class and class struggle and which tries to reconcile the interests of the two classes, which are engaged in struggle, in a higher humanism. These people, if not just inexperienced people who have much, much study to do, are the most odious enemies of the workers and are wolves in sheep's clothing."¹⁴ Is not the negation of supraclass interests of "mankind" by the revolutionary teachers worthy of our deep thought? How can it be "outdated?"

In order to try to prove the existence of "human principles" that are "nonideological in nature," "Characteristics" cites words which Marx wrote for the declaration of the establishment of the First International. He said that the working class of all countries must "make efforts to ensure that the simple standards of morality and justice that should be observed in private relationships become the highest standards in international relationships." Here, "international relationships" was later retranslated as "relationships between the various nations."¹⁷ The association's provisional regulations which Marx

wrote included the paragraph: "Recognizing truth, justice, and morality as the basis of relationships among all people and not differentiating between people on the basis of color of skin, faith, or nationality." Marx explained to Engels that the reason he wrote this was that, having considered the wording of the original "documents," the ideas discussed by the representatives, and the need for a "form which would be accepted by the workers," it was necessary to adopt the terms "truth, morality, and justice." However, as "these words have already been arranged, there is no harm in using them."¹⁸ To interpret this tactical formulation which Marx had written under specific conditions, as the earliest "plan" to "give prominence to the role of moral principles in international relations" is naturally incorrect. Marx and Engels always opposed ideas such as "eternal truth, eternal morals, and eternal justice." This is because in class society, morality is always class morality. When the United States invaded Panama, it claimed that this was a "just cause." Can we take this type of "justice" as a "principle of mankind" or "the highest standard in international relations?"

"Characteristics" asserted that the "green politics" which has emerged in recent years in the West is "in accord" with the ideological tide of "globalism." This is difficult to accept. The members and stands of "green politics" are very diverse. Some hold that the anarchic situation of capitalist production is a basic cause of the ecological crisis, and that it is necessary to establish a "balanced" socialist model to maintain ecological balance. Some want to use ecological theories to "supplement" Marxism, and are thus called "ecological Marxists." One faction of the Green Party in the FRG inclines toward the Social Democratic Party, while another faction advocates "overturning capitalism and reforming society." Although people's assessments of this situation are not the same, can we say that these proposals have no ideological hue? It must be recognized that "green politics" is still politics and the "Green Party" is still a political party. It transcends the old political fetters of left and right in order to establish a "new" political structure. The "dilution" of the ideological hue in traditional politics is intended to give prominence to "modern" ideological hues. Environmental protection is a question that concerns the whole globe, but "green politics" is certainly not above class and nonideological.

Theory and practice, past and present, all show that today's class society it is not only impossible but also ludicrous to want to transcend class politics or "dilute" ideology. It is like a person trying to pull himself up off the ground into the air by tugging on his own hair. In the political life of today's world there are both hidden and obvious ideological hues, and the "trend of dilution" is purely fictitious.

The international situation is now undergoing yet another major post-war change. The struggle of the two types of social systems between "peaceful evolution" and anti-"peaceful evolution" is being manifested extremely prominently in the ideological sphere. The

"nonideologicalization," ideological "pluralism" and "dilution" of ideology, which originated in the West, are "weapons" for strengthening the bourgeois ideological system and opposing the socialist ideological system. We need to be extremely vigilant against sugar-coated artillery shells and must not swallow these "sugar-coated shells" thinking that they are "sweets." Positive and negative experiences tell us that in the ideological sphere socialist ideology must occupy the ruling position and, on the media and theory fronts, control must be in the hands of Marxism. This is a major matter affecting the whole situation and is a truth which has been obtained at a high price.

Footnotes

1. *Collected Works of Marx and Engels*, Volume 3, p. 544.
2. *Selected Works of Lenin*, Volume 1, p. 256.
3. *Collected Works of Marx and Engels*, Volume 2, p. 529; Volume 4, p. 476.
4. *Ibid.*, Volume 4, p. 489.
5. *Ibid.*, Volume 23, p. 17; Volume 26, pp. 168, 315.
6. *Selected Works of Marx and Engels*, Volume 1, p. 632.
7. *Ibid.*, Volume 2, p. 208.
8. *Collected Works of Marx and Engels*, Volume 21, pp. 557-58.
9. *Selected Works of Marx and Engels*, Volume 4, pp. 267, 417.
10. *Collected Works of Marx and Engels*, Volume 22, p. 81; Volume 36, p. 98; Volume 39, pp. 79-80; Volume 25, p. 26.
11. *Collected Works of Lenin*, Volume 3, p. 579.
12. *Ibid.*, Volume 8, p. 473.
13. *Selected Works of Lenin*, Volume 4, p. 182; Volume 1, p. 643.
14. L.J. Binkley: *Conflict of Ideals*, Commercial Press, translated edition, p. 6.
15. *Selected Works of Marx and Engels*, Volume 1, p. 278.
16. *Collected Works of Marx and Engels*, Volume 2, p. 586; Volume 21, p. 297.
17. *Selected Works of Marx and Engels*, Volume 2, p. 135.
18. *Collected Works of Marx and Engels*, Volume 16, p. 16; Volume 31, p. 17.

Study Marxist Philosophy, Have Firm Faith in Socialism

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[Article by Wang Hai (3769 3189) and Zhu Guang (2612 0342), commander and political commissar of the PLA Air Force]

[Text] For quite some time now, there has existed both on the international level and domestically, a tide that negates socialism. Some major figures in Western political circles, proceeding from the stand of the bourgeoisie which they represent, claim that the socialist and communist movement is a detour in the long river of the historical development of mankind. As the communist movement has seen some complications, they assert that the end of the 20th century is the final stage in the death of the communist movement. Echoing this, some people domestically who firmly adhere to the stand of bourgeois liberalization, have wantonly advertised the "theory that socialism has been defeated" and the "theory that capitalism will live forever." After being subject to the influence of this ideological tide, various comrades in our forces have experienced doubts or worries about whether socialism is superior to capitalism, and whether socialism will finally replace capitalism. Thus, to criticize the ideological tide which negates socialism and further strengthen our faith in socialism and communism has become a major task which has been placed in front of us.

We must powerfully criticize the fallacious negation of socialism, scientifically explain that socialism will finally triumph over capitalism, and strengthen our faith in socialism. It is not sufficient to rely just on simple class feelings and perceptual experiences. Faith in socialism and communism is not a product of perceptual understanding. Rather, it is built on the basis of the scientific mastering of the patterns of sociohistorical development through using the materialist view of history. Marxist philosophy, as an important theoretical basis of socialism and communism, has a function and role in establishing and firming our faith in socialism and communism. It can be said that if one does not understand Marxist philosophy, one cannot deeply understand scientific socialism, much less have faith in socialism and communism.

Studying and utilizing Marxist philosophy to criticize the ideological tide which negates socialism and to strengthen our faith in socialism, are things that require much work. We believe that on the theoretical level, there are several issues that require clarification.

First, we must use Marxist philosophy to grasp, on the macrolevel, the major trends in sociohistorical development. What is meant by grasping, on the macrolevel, the major trends in sociohistorical development, is that, in the spatial aspect, we need to open our eyes to the whole world, consider the whole world as an entirety, and engage in an overall examination of the development of

the world. In temporal terms, we need to open our eyes to the long river of history and examine the entire process of sociohistorical movement. Only in this way will it be possible to avoid being puzzled by a few temporary, partial, and superficial phenomena.

Grasping, on the macrolevel, the major trends in sociohistorical development requires us to clearly draw a dividing line between the two views of history on the issue of the major trends of historical development. More than 100 years ago Marx and Engels revealed the patterns of the contradictory movement between the productive forces and the relations of production, and between the economic base and the superstructure. This provided people with the key for examining the major trends in sociohistorical development. Using this principle, Marx and Engels, when analyzing capitalist society, pointed out that the contradiction between the socialization of production and private appropriation of the means of production is the basic contradiction in capitalist society, and that the various contradictions in capitalist society all have their origins in this contradiction. Further, it is impossible to resolve this contradiction purely through reliance on the capitalist system; it can be overcome only through proletarian revolution. Thus, capitalism will inevitably die out and socialism will inevitably be victorious. History has already proven and will continue to prove that this conclusion is correct. As Comrade Jiang Zemin pointed out in his speech on the 40th anniversary of the PRC, the replacement of capitalism by socialism is the true major trend of history. However, for a long time past, the defenders of capitalism have tossed forward the "10 major trends" theory, the "postindustrial society and information society" theory, and other theories about the overall trends. They have ignored the basic contradictions of society and solely grasped a particular characteristic of the development of the productive forces to divide social development stages and to predict the trend of social development, and have thus sunk into the mire of out-and-out historical idealism.

Thus, if we do not clearly demarcate the boundary between the two types of historical viewpoint on the question of the major trends of history, and do not reveal the idealist view of history inherent in the various Western theories of overall trends, it will be impossible on the theoretical level to overcome through criticism the "theory that capitalism will live forever" and the "theory that socialism has been defeated."

Grasping, on the macrolevel, the overall trends in sociohistorical development requires that we use the basic viewpoints and basic methodologies of Marxist philosophy to analyze the capitalist world and the new situations and new problems that have appeared in the international communist movement, so as to further enrich and develop the theory of the "two inevitabilities." The crux here is to use new facts to explain that the self-readjustment by contemporary capitalism does not change the inevitable historical trend of the demise of capitalism, and that the changes in the international

situation and the complications that have appeared in the development of socialism do not change the bright prospects for the inevitable victory of socialism. The "two inevitabilities," in summary, explain that the development of socialized large-scale production will inevitably lead to appropriation by society and management by society. Although the bourgeoisie does all it can to deny these trends, the changes in forms of appropriation and management arising from their self-readjustment precisely show that the capitalist relations of production are not eternal. The self-readjustment by capitalism has not and cannot change the nature of private appropriation under capitalism, and has not and cannot eliminate the economic causes of the various problems of capitalism. Seen on the phenomenal level, and seen from a partial and short-term view, the self-readjustment by capitalism has alleviated the basic contradictions and stimulated the development of the productive forces, and this appears to go against the historical development patterns of the "two inevitabilities." However, seen on the essential level, and seen overall and from the long-term view, it precisely shows the correctness of the "two inevitabilities."

At present, socialism is seeing some twists and turns in its development. In a situation where imperialism is implementing "peaceful evolution," and a situation where socialist countries are widely implementing reform and opening up and are experiencing some temporary difficulties, the socialist countries face a more serious and complex struggle. However, the struggle between "peaceful evolution" and counter-"peaceful evolution" is but a continuation of the long-term struggle between the two social systems of capitalism and socialism. Changes in the form of this struggle cannot change the objective logic that determines the outcome of the struggle—this is determined by the course of development of the basic contradictions in society. In the past, the political containment, economic blockades, military intervention, and encirclement that imperialism imposed against the socialist countries, were all ignominiously defeated. The strategy of "peaceful evolution" that they implemented does not have bright prospects.

Second, we must make a full assessment of "the most complicated and fantastic zigzag path." Lenin said: "That history usually follows a zigzag path and that a Marxist must be good at appraising the most complicated and fantastic zigzags of history is indisputable."¹ The replacement of capitalism by socialism is a long, tortuous, and complex process. This is a manifestation of the dialectical materialist law of the complicated nature of material progress. In the past, in our propaganda and education, we often put great stress on revealing the contradictions of capitalism and the final result of the contradictory movement. But we placed relatively little stress on correctly explaining the twisting and complex nature of the process and the forms of contradictory movement. This led to a situation where some people had a simplistic and idealistic understanding of the "two inevitabilities." They understood the major historical

trend of socialism replacing capitalism to mean that the demise of the capitalist system and the triumph of socialism in the world was at hand. This has inevitably meant that some people have lost hope when twists and turns have occurred in historical development and it has even given rise to a "crisis of faith" and a "crisis of belief." Thus, correctly understanding the objective patterns by which socialism will replace capitalism requires that we understand the major historical trend by which capitalism will be replaced by socialism and also that we understand that this replacement will involve a long and twisting process.

Socialist development is a dialectical unity of advance and complications. Regardless of whether we speak of socialism replacing capitalism or the improvement and development of the socialist system, both are processes which will be long and twisting. This is because the socialist revolution and the improvement and development of the socialist system are the greatest and most thorough changes in human history. This is essentially different from any change in social system in the past, as it is a change by which exploitation and oppression are eliminated and the laboring people, for the first time, take control of their own fate. Thus, first, it will inevitably meet desperate opposition from the bourgeoisie. This class is the last exploiting class in mankind's history, and it has accumulated the experiences of the rule of all exploiting classes in the past. It also has modern science and technology, great material strength, and tight international relations. It is stronger than any exploiting class in the past, and its resistance will be more intense than the resistance of any exploiting class in the past when faced with extinction. Second, as the proletariat and its political party lack experience, mistakes will be difficult to avoid regardless of whether we speak of the proletariat and its political party in capitalist states or the proletariat and its political party in socialist states. In the journey of great change by which they realize the transformation from capitalism to socialism, every step taken will have to be explorative, path-finding and creative, and at each step, new questions put forward by reality will have to be resolved. In this process, there will indeed be mistakes and reversals. Third, because a number of countries where capitalism was not well-developed were first to enter socialism, a situation has been produced where for quite a long historical period socialist countries will lag behind developed capitalist countries on the economic level. This will form a major historical contradiction where countries with an advanced social system will be backward on the economic level. This will not only affect the full demonstration of the superiorities of the socialist system and reduce its appeal to the people in the capitalist world, but will also allow the capitalist countries, through their material wealth, to maintain a seductive appeal for some people in socialist countries. This will provide objective conditions for imperialism to implement its strategy of "peaceful evolution." This thus determines that the replacement of capitalism by socialism throughout the world will inevitably be a twisting, complex process.

As all things have a dual nature, so the complications in historical movement have a dual nature. We must see that the complications in the process by which socialism replaces capitalism will bring certain difficulties to the socialist cause. However, even more, we must recognize that these complications will temper the communist party members of all countries, and impel them to engage in serious thought. The defeat of the Paris Commune armed uprising in 1871, was the first setback suffered by the international communist movement. But it was from this setback that the proletariat came to understand the principle that safeguarding political power and wresting political power were equally important. At the end of the 19th century, at the same time as the international bourgeoisie was using armed force to suppress revolution, it increased the use of political deception and economic promises of gain to corrode the proletarian forces and to buy off the leaders of the working class movement. Thus, some of the leading people of the Second International and many party leaders betrayed the proletarian revolution. This was another major setback in the international proletarian movement. But it was precisely through this serious setback that the proletariat clarified the dividing line between opportunism and Marxism and came to understand that if revolutionary victory were to be achieved, it was necessary to adhere firmly to Marxism and to establish a powerfully militant party. Only thus was victory in the October Revolution achieved and only thus was the first socialist country born. Today, the international communist movement again faces a serious challenge from the international monopoly capitalist class, and some socialist countries have experienced upheaval and changes which cause deep thought. But it is this unstable situation which has allowed us to fully recognize that "peaceful evolution" and counter-"peaceful evolution" has become a major form of class struggle in the contemporary international sphere, and thus pushed us to deeply study the characteristics and patterns of this struggle.

Further, we must grasp and implement the scientific method of comparing social systems. The new changes that have occurred in contemporary capitalism and the complications that have emerged in socialist development have meant that some people have fallen into difficulties in their understanding. One of the reasons for this is that they lack a scientific method for correctly carrying out a comparison of social systems. In today's world, two types of social system coexist and there objectively exists a problem of comparing the systems. The way people carry out this comparison is tightly linked with which system is chosen and with which social ideals and political convictions are decided upon. Thus, different classes have different stands and adopt different methods to carry out comparison, and they come up with completely different conclusions. In such a situation, the use of the basic viewpoints of Marxist philosophy to scientifically carry out a comparison of the two types of social system has major significance in maintaining a firm faith in socialism and communism.

First, in comparing the virtues and defects and development trends of the two types of social system at present, it is necessary to examine them in terms of their position in the long river of history. Lenin pointed out that "the history of the world is measured using a yardstick of several decades. If something is earlier or later by one or two decades, in terms of measuring the history of the world, it is nothing."² One of the limitations often occurring in people's understanding is that they look at changes in society as follows: When the contradictions in capitalist society are intense, they consider the system near death, and when capitalism develops quite quickly they consider it vital and vibrant. When socialism sees smooth development they proclaim that communist society is near at hand, and when socialism meets difficulties and setbacks they lament that its future is uncertain. Thus, in comparing the two types of social system, we must overcome this "shortsightedness" and not make decisions of superiority or inferiority on the basis of successes or failures at any single time. Seen from the development of world history, the coexistence of the two social systems of socialism and capitalism is the basic structure in the contemporary world. Socialism, having had only 70 years of development, has shown that it has powerful vitality and in international society it occupies a position of decisive importance. No new system in the past has achieved this, and this shows that it has vast potential and is in accord with the demands of the times. Although in future there will be strengthening or weakening of this or that social system and the expansion or contraction of the social movement and political power of this or that social system, this basic structure in the world is fixed. However, because the socialist system is in accord with the tide of history, it will be continually improved and developed, while the capitalist system, because it goes against the tide of history, will be subject to continual pounding, which it will be increasingly unable to withstand.

Second, in comparing social systems, we must put efforts into analyzing the basic natures of the systems. When distinguishing the superiorities or inferiorities of the two social systems, we cannot just look at various superficial phenomena. Rather, we need to distinguish the basic differences between the two systems in terms of their essential characteristics. First and foremost, it is necessary to analyze their economic systems and political systems. However, the problem at present is that some people, when talking about a social system, are often actually referring to the situation in that society. When we talk about the superiorities of the socialist system and the decadence of the capitalist system, we are speaking in terms of their basic economic and political systems. However, apart from the economic and political systems that play a decisive role, there are many other factors which affect the social situation in a country. For example, there might be vestiges of the old system; subjective guidance and specific practices can be correct or incorrect; and there can be natural, geographic, historical, population and external factors. All these affect the social situation. Confusing the two concepts of social

system and social situation, which are related but different, can produce confusion in understanding.

In comparing the two systems, we must eliminate those factors which are not part of the social system and those factors which are not innate aspects of the social system. Only thus will it be possible to assess, on the essential level, which of the social systems is superior and which is inferior. For example, some people take the size of per capita GNP as a major standard in comparing the two types of social system. Actually, while per capita GNP can reflect the wealth of a country in an overall way, it cannot reflect whether the society of the country is fair, or whether there is exploitation or polarization. Also, a country's per capita GNP is determined by many factors and the methods of calculation used by different systems and different countries also differ. There are, therefore, often many factors that cannot be compared. Thus, we cannot just look at the size of per capita GNP, but must also look at overall national strengths and the quality of life of the people. Although the per capita GNP of our country ranks behind more than 100 other countries in the world, the overall national strength of the country ranks sixth in the world and the standard of living is, according to World Bank analysis, higher than in the majority of developing countries. Some indicators have already reached the level of middle-income countries. These successes must be ascribed to the superiority of the socialist system.

Third, comparing different social systems basically requires that we look at whether the relations of production agree with, promote, or retard the development of the productive forces. However, the current situation of productive forces development in every country is a product of a long period of historical development. It is not something that can be chosen at will. Thus, in general it is said that the appropriate indicator for comparing the superiority or inferiority of a social system is the speed of development of the productive forces. This is because new relations of production, from their emergence to their creation of productive forces of a higher level of development than those in the past and the full demonstration of their superiority, require quite a long historical process. After the emergence of the capitalist production modes, for quite a long period their production technology and management experiences did not greatly surpass the modes under feudalism. It was only in the 1760's, with the industrial revolution, that the superiority of the capitalist production modes was fully demonstrated. Then, in less than 100 years, they created productive forces that were "more numerous and greater than the entire productive forces created by all ages in the past."³ It was only at this time that the capitalist system was established and consolidated. Before the above-mentioned historical process was completed, if an assessment had been based on a comparison of the development of the productive forces, it would have been possible to come to the mistaken conclusion that the new system was inferior to the old system. Thus, when comparing the socialist and capitalist relations of

production, we should not merely compare the different results they have created in the development of the productive forces. Rather, we should further reveal the mechanisms by which they influence the development of the productive forces and look at which relations of production best suit the productive forces. Only with such an analysis will it be possible to explain why the new relations of production are superior to the old relations of production. Only thus will we be able to clearly see that the socialist system will finally create productive forces which are higher than those of the capitalist system and that, thus, it will triumph over the capitalist system.

Studying Marxist philosophy and firming our faith in socialism and communism is a strategic measure for strengthening ideological and political construction in the forces and also manifests the partisan principle of Marxist philosophy. This not only helps to deepen understanding of the basic principles of philosophy, but also assists in raising the consciousness and firmness of our cadres at various levels and the broad numbers of officers and men. The leading cadres at various levels and especially the leading cadres above the army level are charged with this important task. Studying philosophy well and placing ideological methods in a prime position will greatly strengthen the cohesiveness, appeal, and fighting capacity of our party and our armed forces. Thus, we must study how to use the basic viewpoints and basic methods of Marxist philosophy to examine the international situation, analyze the new situations and new problems which have appeared in today's world, seriously think about the past and the future, study means by which to oppose "peaceful evolution" and resist infiltration by Western ideology and, under the guidance of the party Central Committee, struggle to build socialism with Chinese characteristics.

Footnotes

1. *Collected Works of Lenin*, Volume 13, p. 6.
2. *Selected Works of Lenin*, Volume 4, p. 212.
3. *Selected Works of Marx and Engels*, Volume 1, p. 256.

'Emulating Me' and 'Seeing the Virtuous and Thinking of Emulating Them'

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[Article by Mao Shuzheng (3029 2579 1767)]

[Text] The example set by leaders is of crucial and decisive importance in determining how well a locality or unit does its work of building a clean government. "If the leader is upright, he can rule without issuing orders. If he is not upright, his orders will not be heeded." "The plum and the peach do not talk, but people are attracted to them." "Rather than shouting oneself hoarse, why not show us what you can do." "Repeated injunctions are not as effective as the earnest practice of what one

advocates." All these proverbs, past and present, are truths which have been repeatedly proven by practice. However, having the courage to publicly challenge fellow cadres throughout the county to "emulate me" in maintaining a correct party style, refraining from abuse of power for personal ends, and doing things for the people, as exemplified by Huang Jiaxi [7806 3946 0823], party secretary of Yueyang County in Hunan Province, is by no means an easy task. Since time immemorial, those in government usually relied on orders and instructions to tell their subordinates and the masses what to do. Rarely do we come across people who have the guts to step forward and say "emulate me" without the slightest reservation.

During the Wanli reign of the Ming Dynasty, a ranking official by the name of Zhang Juzheng [1728 1446 2973] repeatedly advocated clean government in his office as prime minister. He urged officials at all levels to work selflessly and practice frugality, and severely punished corruption and bribe-taking. He did not let up even when the emperor's maternal grandfather Li Wei [2621 0251] and his own school friend, Minister of War Wang Daokun [3076 6670 2492], were among those charged with corruption. Zhang Juzheng was truly impartial and incorruptible in enforcing the policy of clean government. In spite of this, corruption, bribery, extravagance, and waste went unabated during the Wanli reign. The truth was, Zhang Juzheng's policy of clean government was meant for everyone but himself. He was extremely extravagant in his own way of life, and was said to have spent well over 10,000 taels of silver on the construction of his Beijing residence alone. As he was unable to practice what he advocated, naturally he did not have the courage to challenge officials at all levels to "emulate me." We can well image the outcome of this kind of clean government that demanded uprightness on the part of everyone but oneself.

Officials like Zhang Juzheng who were loyal to the emperor were not the only ones who had difficulty tackling the problem of clean government. Even leaders of peasant uprisings who had the courage to pull the emperor off his horse were not immune from being "corrupted by riches and honor." After moving into the imperial palace, Li Zicheng [2621 5261 2052], Liu Zongmin [0491 1350 2404], Niu Jinxing [3662 6855 2502], and others were all blinded by riches, lust, dissipation, and grandeur. They turned a deaf ear to honest words of advice. At that time, Li Zicheng did not have the guts to stand up and say "emulate me," but his generals all followed the example set by him, each thinking of his own "authority" and "preferences." That was precisely why the "Dashun" reign of Li Zicheng only lasted for 18 days and could not go on.

We may say that only the revolutionary ranks led by our party can maintain clean government and will not be corrupted by riches and honor. This is because the fundamental aim of our party is to serve the people heart and soul, and our leaders and the majority of leading cadres are "the first to suffer and worry and the last to

enjoy comfort." From the revolutionary war years to the present moment, they have always maintained the true revolutionary work style of plain living and hard struggle, and have set an exemplary role in the building of party style and clean government. Up to his death, Comrade Mao Zedong always had plain meals and wore old and patched clothes. During the difficult years, the best meal he ever had was some roasted pork. Comrade Zhou Enlai's frugal life was also universally acclaimed. It was precisely the examples set by leaders like Mao Zedong and Zhou Enlai and outstanding cadres like Huang Jiaxi that we have won one victory after another in revolutionary wars and socialist construction and in today's reform and open policy.

Naturally, unhealthy practices and corruption can be found in some of our party and government organs. Cadres who are honest and selfless may, like Hai Rui, be accused and reported to the party committee at the higher level, even to the party Central Committee, because they dare touch the toughies and have made enemies in the process. For instance, Wuji County party secretary Liu Ri [0491 2480] was accused by 13 departmental and bureau cadres of "taking brides and bending the law." Findings by the joint investigation team of the province and prefecture revealed that the major charges were unfounded. The fact is that Liu Ri is an honest cadre who shows concern for the well-being of the masses, who is strict with himself as well as others and dares to act against unhealthy practices. The treatment Liu Ri received as a result of his work in maintaining clean government is quite different from that sustained by Hai Rui. He is not only acclaimed and supported by the local Red Army veterans, the masses, and the majority of cadres, but is fully affirmed and commended by the party committee at the higher level. Hebei provincial party secretary Xing Chongzhi [0438 1504 2535] personally wrote an article publicizing him as a typical example of an official who is honest and works for the people. This shows that our clean government policy is advocated from the top down. The attitude shown by party organizations at various levels in general, and the party Central Committee in particular, is the most

resolute. For this reason, "virtuous" people like Liu Ri who are wrongly accused can get cleared easily. When people who "see the virtuous and think of emulating them" see that the leaders and the masses truly support "the virtuous," they will emulate "the virtuous." People who are unclean and want to bring false charges against the "virtuous" will lie low because they have nothing to gain. As the ancient saying goes, "when the gentleman rules with righteousness, who will dare to be anything but righteous." Even if there are still people who think of engaging in dirty deals in violation of law and discipline, they will have second thoughts when they see that they are up against superiors who are clean and honest, who have the courage to put others as well as themselves on the right track, and not people like Zhang Juzheng, who wanted to put others but not themselves on the right track, and who might even be afraid of pulling the skeletons out of the closet.

It can thus be seen that, in order to truly rectify the party style and do a good job of building a clean government, leading cadres from the central to local levels must set an example and pay attention to the enormous influence of exemplary models. Moreover, it is also necessary to do a good job of ideological and political work so that the people, particularly party members, will understand that it is everyone's duty to maintain a clean government, that one must not simply make demands on the higher-ups and not restrict one's own actions. In other words, we must pay attention to the power of ideological and political work, the power of institutional measures, and the power of party discipline and state laws. Only by wringing these powers into a single force and making them complement one another, and only when there are exemplary models who can say "emulate me," as well as emulators who "think of the virtuous and think of emulating them," will we be able to achieve remarkable results that will "really make a bang."

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